



Sitara Chemical
Industries Limited

**Excellence,
Quality,
Trust.**

2026

ANNUAL REPORT

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FINANCIAL PERFORMANCE 2026



Sales - net
+ 0.07%
Rs. 32,553M

(2025: Rs.32,530M)



Gross Profit %
18.91%

(2025: 17.27%)



**Operating
Profit %**
12.02%

(2025: 11.57%)



**Profit Before
Tax %**
7.29%

(2025: 5.72%)





**Profit After
Tax %**
4.46%

(2025: 2.89%)



**Earning Per
Share**
Rs. 67.68

(2025: Rs.43.83)



**Market Value
Per Share**
Rs. 738.47

(2025: Rs.495.81)



**Proposed Cash
Dividend %**
130%

(2025: 110%)



VISION

Strive to develop and employ innovative technological solutions to add value to business with progressive and proactive approach.

MISSION

Continuing growth and diversification for bottom line results with risk well contained.



CODE OF ETHICS AND BUSINESS PRACTICES

We believe in stimulating and challenging team-oriented work environment that encourages, develops and rewards excellence and diligently serves communities, maintaining high standards of moral and ethical values.

COMPANY INFORMATION

Board of Directors

Chairman

Chief Executive Officer

Directors

Mr. Ahmad Hassan

Mr. Muhammad Adrees

Mr. Ijaz Hussain

Mr. Haroon Ahmad Zuberi

Mr. Abdul Awwal

Mr. Najmul Hoda Khan

Mrs. Shala Waheed Sher

Legal Advisor

Mr. Waqar Arif

Shariah Advisor

M/s. Alhamd Shariah Advisory Services
(Pvt.) Limited

Company Secretary

Mr. Mazhar Ali khan

Chief Financial Officer

Mr. Zakir Hussain (FCA)

Audit Committee

Chairman

Members

Mr. Haroon Ahmad Zuberi

Mr. Najmul Hoda Khan

Mr. Abdul Awwal

Human Resource and Remuneration Committee

Chairman

Members

Mr. Ahmad Hassan

Mr. Muhammad Adrees

Mrs. Shala Waheed Sher

Head of Internal Audit

Mr. Asghar Ali (ACMA)

Auditors

M/s. Yousuf Adil

Chartered Accountants

Bankers

Meezan Bank Limited

Bank Alfalah Limited

Habib Bank Limited

Standard Chartered Bank Pakistan Limited

Al-Baraka Bank (Pakistan) Limited

Faysal Bank Limited

National Bank of Pakistan

NBP Aitemaad Islamic Banking

MCB Bank Limited

MCB Islamic Bank Limited

Dubai Islamic Bank Pakistan Limited

Bank Islami Pakistan Limited

The Bank of Khyber

Askari Bank Islamic Banking

The Bank of Punjab

United Bank Limited

Soneri Bank Limited

Bank Al-Habib Limited

Habib Metropolitan Bank Limited

Allied Bank Limited

Website of the company

www.sitara.com.pk

Registered office

601-602 Business
Centre, Mumtaz
Hassan Road,
Karachi-74000

Shares Registrar Address

THK Associates (Pvt)
Limited
Plot No. 32-C, Jami
Commercial Street
2, D.H.A., Phase,
Karachi-75500

Factories

28/32 KM,
Faisalabad-
Sheikhupura
Road, Faisalabad

REVIEW REPORT BY THE CHAIRMAN

(On the overall performance of Board u/s 192 of the Companies Act 2017)

Dear Stakeholders,

It is my privilege to present the Chairman's Review Report for the financial year ended June 30, 2026, in accordance with Section 192 of the Companies Act, 2017.

Economic Overview:

During FY 2026, Pakistan's economy showed signs of gradual recovery, with GDP growth improving to 3.70%, compared with 3.18% in the previous year. Monetary easing during the year, with the SBP policy rate maintained broadly between 10.5% and 11.5%, contributed to lower borrowing costs and supported economic activity.

However, the operating environment remains subject to significant external and domestic risks. The ongoing conflict between the United States and Iran and its broader repercussions across the Middle East may continue to cause volatility in global energy and coal prices and could prolong existing supply chain disruptions. Persistent inflationary pressures and the possibility of monetary tightening measures to contain inflation may also place pressure on financing costs and downstream profitability.

Operational Performance:

Despite challenging market conditions, the Company maintained its sales at PKR 32,553 million, compared with PKR 32,530 million last year. Improved gross margins, lower energy costs, effective cost management, and reduced finance costs contributed to a significant improvement in profitability. Profit after tax increased to PKR 1,450 million, while EPS improved to PKR 67.68, compared with PKR 939 million and PKR 43.83, respectively, in the previous year.

The successful completion of the 50 MW coal-fired power plant during the year represents an important strategic milestone and is expected to further strengthen the Company's operational efficiency and energy cost management.

Governance:

The Company remains committed to maintaining high standards of corporate governance, transparency, accountability, and regulatory compliance. The Board is fully committed to ensuring compliance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board and its Committees continued to provide effective oversight of the Company's strategic direction, financial performance, risk management, and governance framework.

The annual evaluation of the Board's performance was conducted, and the overall performance of the Board for the year under review was assessed as Satisfactory. The Board remains committed to continuous improvement in its effectiveness and contribution to sustainable value creation.

The Board was reconstituted on August 7, 2025, for a new three-year term, comprising a balanced mix of skills, experience, independent and non-executive representation, and female representation. The diverse composition of the Board is expected to further strengthen its strategic oversight and decision-making capabilities.



Ahmad Hassan
Chairman

Date: September 28, 2026

DIRECTORS' REPORT



In the name of Allah, the Most Beneficent, the Most Gracious, the Most Merciful. On behalf of the Board of Directors of Sitara Chemical Industries Limited, we are pleased to present the audited financial statements of the Company, together with the Auditors' Report thereon and the Report of the External Shariah Auditors, for the year ended June 30, 2026.

ECONOMIC AND BUSINESS OVERVIEW:

The economy gained momentum during FY 2026, with GDP growth improving to 3.70 percent, compared with 3.18 percent in the previous year. The improvement was supported by a significant recovery in the manufacturing sector, lower interest rates, and relative stability in the exchange rate. Large-scale manufacturing recorded growth of 6.6 percent, compared with only 2.0 percent last year, reflecting a broad-based improvement in industrial activity. In contrast, growth in the textile sector remained subdued, increasing by 0.7 percent during July–March FY 2026, compared with 2.5 percent during the corresponding period of the previous year. Inflationary pressures, however, resurfaced towards the end of the fiscal year. Inflation increased from 7.3 percent in March 2026 to 10.9 percent in April 2026, primarily due to higher global oil prices and supply disruptions arising from the Middle East crisis. As a result, average inflation during July–April FY2026 stood at 6.2 percent, compared with 4.7 percent during the same period last year. On the monetary policy front, the State Bank of Pakistan (SBP) maintained the policy rate broadly within the 10.5–11.5 percent range during FY 2026, and the resulting monetary easing compared with the previous year helped reduce borrowing costs.

BUSINESS AND FINANCIAL PERFORMANCE

During FY 2026, your Company maintained its overall sales performance despite challenging market conditions. Net sales revenue stood at PKR 32,553 million, compared with PKR 32,530 million in the previous year, representing a marginal increase of 0.07 percent. Despite the relatively stable revenue base, the Company achieved a notable improvement in profitability, with gross profit increasing to PKR 6,156 million from PKR 5,619 million last year. Consequently, the gross profit margin improved from 17.26 percent to 18.91 percent during the year under review. The sales volume of caustic soda remained under pressure during the year, primarily due to a slowdown in demand from the paper industry. However, the decline was substantially offset by higher sales volumes of other allied chemical products. The improvement in gross margins was also supported by a reduction in electricity costs following the introduction of incremental consumption package for industrial consumers by the Government of Pakistan in December 2025. This reduction in electricity costs provided meaningful support to the Company's overall electricity cost mix and profitability.

The textile segment continued to face challenging operating conditions during the year, in line with the subdued performance of the overall textile sector. Despite these challenges, the Company remained

focused on improving operational efficiency and controlling its cost base. In this regard, the Company achieved a significant milestone by meeting 100 percent of its daytime electricity requirements through solar generation. This initiative helped reduce the segment's electricity costs and contributed positively towards improving its gross margins.

Distribution expenses increased during the year, primarily due to higher average POL prices, with a particularly sharp increase in March 2026, which resulted in higher freight and delivery costs. The increase also reflects a significant shift in the Company's sales strategy during FY 2026, whereby the sale of caustic soda flakes moved from an ex-works basis to a delivered basis. This change resulted in higher distribution and logistics costs being absorbed by the Company. Administrative expenses also increased during the year, mainly due to higher payroll costs and the impact of inflation on general administrative overheads. The Company continued to maintain a prudent approach towards controlling its operating expenses while managing the impact of inflationary pressures on its cost base. In contrast, finance costs declined during the year under review, benefiting from the monetary easing undertaken by the State Bank of Pakistan. The reduction in interest rates lowered the Company's borrowing costs and provided a positive contribution to overall profitability.

As a result of the improved gross margins, effective cost management, and lower finance costs, the Company recorded a significant improvement in its bottom-line performance during FY 2026. Profit after tax increased to PKR 1,450 million, compared with PKR 939 million last year, representing an improvement in overall profitability. Consequently, earnings per share (EPS) increased to PKR 67.68, compared with PKR 43.83 in the previous year.

50 MW COAL-FIRED POWER PLANT

During FY 2026, the Company successfully completed and commissioned its 50 MW coal-fired power plant, marking a significant milestone in its ongoing efforts to strengthen operational efficiency and enhance energy security. The project represents a strategic investment aimed at optimizing the Company's energy mix and generating sustainable savings in energy costs over the long term.

CREDIT RATING

During FY 2026, VIS Credit Rating Company Limited (VIS) reaffirmed the Company's entity ratings at A+/A2 (Single A Plus / A Two), with a Stable Outlook. The long-term rating of 'A+' reflects good credit quality and adequate protection factors, while the short-term rating of 'A2' indicates a strong degree of certainty regarding timely repayment obligations. The ratings also reflect the Company's sound liquidity position and fundamentals, good access to capital markets, and relatively low risk factors.

The reaffirmation of the ratings continues to draw strength from the Company's established position in the domestic chlor-alkali market, diversified business profile, and sound financial fundamentals continue to support its overall credit profile.

SUSTAINABILITY, ESG AND CLIMATE-RELATED MATTERS

The Company recognizes that environmental, social and governance ("ESG") considerations are increasingly important to sustainable business performance, resilience and long-term value creation. Accordingly,



SCIL-Environment

sustainability-related risks and opportunities continue to form part of the Company's broader governance, risk management and operational considerations.

During the year, the Company initiated a structured exercise to further strengthen its sustainability reporting framework in line with the evolving regulatory requirements and sustainability disclosure framework prescribed by the Securities and Exchange Commission of Pakistan ("SECP"), including the phased adoption of IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures. For this purpose, the Company has engaged an external sustainability consultant to assist in assessing existing practices, identifying relevant sustainability and climate-related risks and opportunities, establishing appropriate data collection and reporting processes and preparing the Company's first sustainability report.

That report will cover the financial year ended June 30, 2026 and will be published separately, applying the transition relief available under IFRS S1 which permits an entity, in its first annual reporting period, to report sustainability-related financial disclosures after publishing its related financial statements. This allows the Company to establish the underlying data collection, governance and reporting processes before its first disclosures are published.

This initiative represents a progression from the Company's existing sustainability practices towards a more structured and measurable reporting framework. It is expected to facilitate identification and assessment of material ESG matters, development of relevant metrics and targets, strengthening of governance and internal reporting processes, and enhanced transparency for investors and other stakeholders.

ENVIRONMENT, ENERGY CONSERVATION, QUALITY, HEALTH AND SAFETY

The Company regards environmental stewardship, efficient use of resources and responsible operations as integral elements of its business practices. Energy is a principal input across its manufacturing operations, and the efficiency with which it is used affects both the cost basis of operations and environmental performance. Energy management has accordingly remained a sustained operational priority.



HSE Awareness Sessions



Fire Fighting Drill & Safety Instructions

The Company utilizes waste heat recovery systems for generation of electricity that would otherwise be lost. A dedicated energy conservation team oversees initiatives relating to energy and resource efficiency, waste minimization, water conservation and environmental performance, supported by a program of energy objectives set across production. A portion of the combustion residues generated is used in the manufacture of fly ash bricks. Responsible use of raw materials, emission-control measures and plantation activities further support the Company's management of its environmental footprint and climate-related considerations.

The Company maintains certified management systems relating to quality, environment, occupational health and safety, energy management and food safety and continues to comply with applicable regulatory requirements and relevant national and international standards. These include ISO 9001, ISO 14001, ISO 45001, ISO 50001 and FSSC 22000, together with applicable Pakistan, UAE and GSO Halal standards for relevant products.

Employee health and safety remain a continuing priority. Appropriate operational controls, safety procedures, training and monitoring mechanisms are maintained to promote a safe working environment. The Company also continues its association with SEDEX (Supplier Ethical Data Exchange) and its compliance initiatives under the SMETA four-pillar framework covering Labour Standards, Health & Safety, Environment and Business Ethics.

DIVERSITY, EQUITY AND INCLUSION

The Company remains committed to promoting an inclusive and equitable workplace based on merit, competence and performance, while recognizing the practical workforce and diversity challenges associated with the remote location of its industrial manufacturing facilities. Notwithstanding these operational constraints, the Company continues to promote equal opportunity, fair employment practices and non-discrimination as integral elements of its human capital management approach.

As part of the ongoing development of its ESG framework, the Company intends to further strengthen the identification, measurement and reporting of relevant social and human-capital indicators, including appropriate diversity, equity and inclusion metrics. This will support more structured monitoring of performance and facilitate enhanced disclosures in accordance with applicable regulatory and sustainability reporting requirements.

HUMAN RESOURCE DEVELOPMENT:

The Company continues to invest in the development of its human capital through structured learning, training and capacity-building initiatives. These programs are aimed at enhancing employees' technical and professional competencies, improving productivity and supporting their ability to effectively perform their respective roles.



In-House Training Sessions

During the year, various in-house workshops, technical and professional training sessions were conducted for employees and executives across different functions. In addition to strengthening job-related skills and awareness of technological and industry developments, these initiatives also support teamwork, knowledge sharing and continuous learning within the organization.

The Company remains committed to maintaining a professional and conducive work environment, complying with applicable labour laws and adopting relevant industry practices. During FY 2026, the Company provided training to 1,084 employees, compared with 1,928 employees in FY 2025.

CORPORATE SOCIAL RESPONSIBILITY:

The Company continues to contribute towards the well-being of the communities in which it operates through various Corporate Social Responsibility (CSR) initiatives. Its community support activities primarily focus on health, access to clean drinking water, environmental well-being and assistance to deserving segments of society.

As part of these initiatives, the Company continues to operate and maintain clean drinking water facilities installed at various locations in and around Faisalabad for the benefit of local communities. During the year, the Company continued extending its financial support and donations to charitable hospitals, welfare institutions and other organizations engaged in social and community development activities.



AFH Celebration of World Heart Day 2026



Ration Distribution for Deserving Communities

INFORMATION TECHNOLOGY:

The Company continues to strengthen its information technology infrastructure and business systems to support operational efficiency, effective controls and informed decision-making. During the year, emphasis remained on improving system integration, data accessibility, process automation and reliability of IT services across business functions.

The Company is progressively evaluating emerging technologies, including Artificial Intelligence (AI) and advanced data analytics, for their potential application in business processes, reporting and management decision support. At the same time, continued attention is being given to cybersecurity, data protection, backup and disaster recovery arrangements to safeguard critical information and maintain business continuity.

Going forward, the Company intends to further align its technology landscape with evolving business requirements, with a focus on secure, integrated and scalable systems capable of supporting future growth and digital transformation.

STAFF RETIREMENT BENEFITS:

The Company continues to provide retirement and long-term savings benefits to its employees in accordance with applicable laws and approved benefit arrangements. Employees of the Chemical Division are covered under a recognized provident fund. In collaboration with M/s Pak-Qatar Family Takaful Limited, the Company also facilitates a Family Group Savings Takaful Plan, whereby the accumulated provident fund balance of an eligible member may, upon permanent withdrawal, be transferred to an individual policy in accordance with the applicable provisions of the Income Tax Rules, 2002.

Employees of the Textile Division are covered under a gratuity scheme, for which the requisite provision is recognized in the financial statements in accordance with the applicable requirements of IAS 19 – Employee Benefits.

CONTRIBUTION TO NATIONAL EXCHEQUER:

During FY 2026, the Company contributed Rs. 7,292 million to the national exchequer through income taxes, import duties and sales tax, compared with Rs. 7,518 million in the preceding year. This reflects the Company's continued contribution to Government revenues arising from its business operations. The above amount excludes withholding taxes collected or deducted by the Company on behalf of the Government from customers, employees, suppliers, contractors and other parties.

SIGNIFICANT FEATURES OF DIRECTORS' REMUNERATION POLICY:

The Company maintains a Board-approved remuneration policy designed to ensure that compensation of Executive Directors is appropriate to their respective roles, responsibilities, experience and contribution towards the Company's affairs. Remuneration arrangements are considered on the recommendation of the Human Resource and Remuneration Committee and approved by the Board of Directors. Non-Executive and Independent Directors are not entitled to remuneration other than fees for attending meetings of the Board and its Committees, as approved in accordance with the applicable policy approved by Board of Directors.

Details of the aggregate remuneration of the Chief Executive and Executive Director for the year are disclosed in Note 41 to the annexed financial statements.

BOARD OF DIRECTORS:

The Board comprises of two executive directors, two independent, two non-executive male directors, and one non-executive female director. The independent and non-executive directors are independent to management. The Board has delegated day-to-day operations of the Company to the Chief Executive Officer.

During the FY 2026, total 05 board meetings were held and attendance of Directors is as follows:

Sr.#	Name	Category	No. of Meetings Attended
1	Mr. Ahmad Hassan	Independent Director	04
2	Mr. Muhammad Adrees	Executive Director	05
3	Mr. Ijaz Hussain	Executive Director	05
4	Mr. Abdul Awal	Non-Executive Director	05
5	Mr. Najmul Hoda Khan	Non-Executive Director	05
6	Mr. Haroon Ahmad Zuberi	Independent Director	05
7	Mrs. Shala Waheed Sher	Non-executive Director	05

Leave of absence was granted to the members of Board, who did not attend the meetings.

AUDIT COMMITTEE MEETINGS:

Audit committee has been established to assist board in discharging its responsibilities for corporate governance, financial reporting and corporate controls. Audit Committee consists of three members. During the FY 2026, 04 meetings were held and attendance of members of audit committee is as follows:

Sr.#	Name	Category	No. of Meetings Attended
1	Mr. Haroon Ahmad Zuberi	Chairman Audit Committee	04
2	Mr. Najmul Hoda Khan	Member Audit Committee	04
3	Mr. Abdul Awal	Member Audit Committee	04

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Human Resource and Remuneration Committee (HR&R Committee) has been constituted to oversee the processes relating to selection, evaluation, remuneration and succession planning of key management personnel of the Company. The Committee comprises three members. During FY 2026, 01 meeting of the Committee was held, and the attendance of its members was as follows:

Sr.#	Name	Category	No. of Meetings Attended
1	Mr. Ahmad Hassan	Chairman HR&R Committee	01
2	Mr. Muhammad Adrees	Member HR&R Committee	01
3	Mrs. Shala Waheed Sher	Member HR&R Committee	01

CORPORATE GOVERNANCE:

Statement of Compliance of Corporate Governance is separately annexed.

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024

As required under the SECP circular no. 10 of 2024, the statement on the Gender Pay Gap is separately annexed.

PATTERN OF SHAREHOLDING:

The pattern of shareholding of the Company is annexed along with trading in shares of the Company by its Directors, their spouses and minor children, CEO, CFO, Head of internal audit and Company Secretary.

CORPORATE AND FINANCIAL REPORTING:

The Company remains committed to maintaining high standards of corporate governance, transparency and financial reporting. The Board acknowledges its responsibility for the integrity of the Company's corporate and financial reporting framework. The financial statements, together with the accompanying notes, have been prepared in accordance with the requirements of the Companies Act, 2017 and applicable International Financial Reporting Standards (IFRS). Proper books of account have been maintained, appropriate accounting policies have been consistently applied, and accounting estimates are based on reasonable and prudent judgments.

The Board is satisfied that the Company has adequate resources to continue its operations as a going concern. There has been no material departure from the applicable requirements and best practices of the Code of Corporate Governance. The system of internal controls is sound in design and has been effectively implemented and monitored.

The Board of Directors further confirms that the financial statements, including the statement of cash flows and statement of changes in equity, fairly present the state of affairs of the Company and the results of its operations.

AUDITORS:

The existing auditors, M/s Yousuf Adil, Chartered Accountants, shall retire at the conclusion of the 45th Annual General Meeting and, being eligible, have offered themselves for reappointment as auditors of the Company until the conclusion of the 46th Annual General Meeting. The Audit Committee has recommended their reappointment as external auditors of the Company for the year ending June 30, 2027.

M/s Yousuf Adil, Chartered Accountants, holds a satisfactory rating under the Quality Control Review (QCR) Program of the Institute of Chartered Accountants of Pakistan (ICAP). The firm and its partners are also compliant with the applicable requirements of the Code of Ethics for Chartered Accountants, as adopted by ICAP.

APPROPRIATIONS:

The following appropriations of profits for the year ended June 30, 2026 were made:

Description	Rupees
Net profit for the year after tax before WPPF and WWF	1,628,876,453
Workers Welfare Fund (WWF) and Workers Profit Participation Fund (WPPF)	(178,601,457)
Net Profit for the year	1,450,274,996
Incremental depreciation (net of deferred tax)	204,242,727
Un-appropriated profit brought forward	13,404,338,197
Final dividend for the year ended June 30, 2025 @ Rs. 11 per share	(235,723,466)
Amount available for appropriation	14,823,132,454
Proposed dividend for the year ended June 30, 2026 @ Rs. 13 per share	(278,582,278)
Earnings per share- basic and diluted	67.68

DIVIDEND:

In view of the financial results of the Company for the year ended June 30, 2026; the Board of Directors of the Company have recommended a cash dividend of 130% i.e. Rs.13 per share.

FUTURE OUTLOOK:

Looking ahead, the Company remains cautiously optimistic about its business prospects. The completion of the 50 MW coal-fired power plant is expected to contribute positively towards operational efficiency and energy cost management, subject to the normalization of international coal prices following the recent surge driven by geopolitical tensions.

The ongoing conflict between the United States and Iran and its broader repercussions across the Middle East may continue to create volatility in global energy and coal prices and could prolong existing supply chain disruptions. In addition, persistent inflationary pressures and the possibility of monetary tightening measures to contain inflation may place pressure on financing costs and downstream profitability. The Company will continue to closely monitor these developments and take appropriate measures to mitigate their potential impact, while remaining focused on operational efficiency, cost optimization, and sustainable growth.

ACKNOWLEDGMENTS:

The Board takes this opportunity to express its sincere appreciation to our valued customers, business partners, financial institutions, and other stakeholders for their continued trust, support, and cooperation, which have contributed significantly to the Company's progress and growth. The Board also acknowledges and appreciates the dedication, commitment, and continued efforts of the Company's employees, whose contribution remains instrumental to its ongoing success.



Muhammad Adrees
Chief Executive Officer
September 28, 2026
Faisalabad.



Ijaz Hussain
Director

امکان، مالیاتی اخراجات اور کاروباری منافع پر دباؤ ڈال سکتا ہے۔ کمپنی ان پیش رفتوں پر گہری نظر رکھے گی اور ان کے ممکنہ اثرات کو کم کرنے کے لیے مناسب اقدامات کرے گی، جبکہ ساتھ ہی آپریشنل کارکردگی، لاگت کو بہترین سطح پر لانے اور پائیدار اور ترقی پر اپنی توجہ مرکوز رکھے گی۔

اعترافات:

بورڈ اس موقع پر اپنے قابل قدر صارفین، کاروباری شراکت داروں، مالیاتی اداروں اور دیگر متعلقہ فریقین کا ان کے مسلسل اعتماد، حمایت اور تعاون کا شکریہ ادا کرتا ہے، جنہوں نے کمپنی کی ترقی اور وسعت میں نمایاں کردار ادا کیا ہے۔ بورڈ کمپنی کے ملازمین کی لگن، عزم اور مسلسل کوششوں کا بھی اعتراف اور شکریہ ادا کرتا ہے، جن کا کردار کمپنی کی جاری کامیابی میں کلیدی حیثیت رکھتا ہے۔



محمد اریس

چیف ایگزیکٹو آفیسر

ستارہ کیمیکل انڈسٹریز لمیٹڈ فیصل آباد

28 ستمبر 2026



اعجاز حسین

ڈائریکٹر

بورڈ آف ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ فنانشل سٹیمٹس بشمول کیش فلو سٹیمٹ اور سٹیمٹ آف ایکویٹی میں تبدیلی صحیح طور پر کمپنی کے کاروبار اور آپریشنز کو ظاہر کرتے ہیں۔

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس 45th سالانہ اجلاس عام کے ساتھ ریٹائر ہو جائیں گے۔ اہل ہونے کے ساتھ، انہوں نے اپنے آپ کو بطور آڈیٹرز 46th سالانہ اجلاس عام تک دوبارہ مقرر کرنے کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے مذکورہ بیان کردہ میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کو بطور بیرونی آڈیٹرز 30 جون 2027 تک مقرر کرنے کی سفارش کی ہے۔ ان بیرونی آڈیٹرز کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ بندی دی گئی ہے، اور اس کے تمام پارٹنرز بین الاقوامی فیڈریشن آف اکاؤنٹنٹس کے اخلاق کے اصول جو ICAP نے اپنائے ہیں سے مطابقت رکھتے ہیں۔

تخصیص:

30 جون 2026 کو ختم ہونے والے سال کے منافع کی مندرجہ ذیل تقسیم کاری کی گئی ہے۔

روپے	تفصیل
1,628,876,453/-	ٹیکس کے بعد سال کا خالص منافع، (WPPF اور WWF سے پہلے)
(178,601,457)	ورکرز ویلفیئر فنڈ اور ورکرز منافع شمولیت فنڈ
1,450,274,996/-	سال کا خالص منافع
204,242,727/-	Incremental Depreciation - Net of deferred Tax
13,404,338,197/-	پچھلے سال کا جمع شدہ منافع
(235,723,466)	30 جون 2025 کے اختتام پر منافع 11 روپے فی شیئر
14,823,132,454/-	تقسیم کاری کے لیے دستیاب رقم
(235,723,466)	30 جون 2026 کے اختتام پر تجویز کردہ منافع 13 روپے فی شیئر
67.68	سالانہ فی حصص آمدنی

منافع:

کمپنی نے 30 جون 2026 کو ختم ہونے والے سال کے مالی نتیجہ کے تحت، بورڈ آف ڈائریکٹرز نے 130 فیصد کیش Dividend کی سفارش کی ہے جو کہ 11 روپے فی شیئر بنتا ہے۔

مستقبل کا منظر نامہ:

مستقبل کی جانب دیکھتے ہوئے، کمپنی اپنے کاروباری امکانات کے حوالے سے محتاط مگر پر امید ہے۔ 50 میگا واٹ کے کواٹلے سے چلنے والے پاور پلانٹ کی تکمیل سے آپریشنل کارکردگی اور توانائی کی لاگت کے انتظام میں مثبت پیش رفت متوقع ہے، بشرطیکہ جغرافیائی سیاسی کشیدگی کے باعث کواٹلے کی بین الاقوامی قیمتوں میں حالیہ اضافے کے بعد حالات معمول پر آجائیں۔

امریکہ اور ایران کے درمیان جاری تنازعہ اور مشرق وسطیٰ پر اس کے وسیع تر اثرات عالمی سطح پر توانائی اور کواٹلے کی قیمتوں میں اتار چڑھاؤ کا باعث بن سکتے ہیں اور سپلائی چین میں موجودہ تعطل کو طول دے سکتے ہیں۔ مزید برآں، مینگائی کا مسلسل دباؤ اور اسے قابو میں لانے کے لیے مالیاتی سختی کے اقدامات کا

بورڈ کے ممبرز جنہوں نے میٹنگز میں شمولیت نہیں کی ان کو غیر حاضری کی چھٹی دی گئی ہے۔

آڈٹ کمیٹی میٹنگز:

آڈٹ کمیٹی بورڈ کی معاونت کے لیے قائم کی گئی جو کارپوریٹ گورننس، فنانشل رپورٹنگ، کارپوریٹ کنٹرول کے لیے ان کی ذمہ داریوں سے آگاہ کرتی ہے۔ کمیٹی تین اراکین پر مشتمل ہے۔ سال 2026 کے دوران 04 میٹنگز منعقد ہوئیں جس میں آڈٹ کمیٹی کے اراکین کی حاضری کچھ اس طرح رہی:

سیریل نمبر	نام	کمیٹری	میٹنگز میں شرکت کی تعداد
1	ہارون احمد زبیری	چیرمین آڈٹ کمیٹی	04
2	نجم الہدی خان	ممبر آڈٹ کمیٹی	04
3	عبدالاول	ممبر آڈٹ کمیٹی	04

انسانی وسائل اور معاوضہ کی کمیٹی:

انسانی وسائل اور معاوضہ کی کمیٹی سلیکشن طریقے کار، اندازے، معاوضے اور منجمنٹ کے اہم افراد کی توازن منصوبہ بندی کے لیے قائم کی گئی۔ کمیٹی تین افراد پر مشتمل ہے۔ سال 2026 کے دوران 01 میٹنگ منعقد ہوئی جس میں اراکین کی حاضری کچھ اس طرح رہی:

سیریل نمبر	نام	کمیٹری	میٹنگز میں شرکت کی تعداد
1	احمد حسن	چیرمین ایچ آر اینڈ آر کمیٹی	01
2	محمد دریس	ممبر ایچ آر اینڈ آر کمیٹی	01
3	مسز شہلا وحید شیر	ممبر ایچ آر اینڈ آر کمیٹی	01

کارپوریٹ گورننس:

کارپوریٹ گورننس کی Statement of Compliance کو علیحدہ شامل کیا گیا ہے۔

ایس ای سی پی سرکلر 10 کے تحت پے گیپ کا بیان:

جیسا کہ SECP کے سرکلر نمبر 10 میں طلب کیا گیا ہے، صنفی تنخواہ کے فرق پر بیان الگ سے منسلک ہے۔

شینیر ہولڈنگ کی شکل:

کمپنی کے شینیر ہولڈنگ کے پیٹرن کو، ڈائریکٹرز، ان کی شریک حیات اور چھوٹے بچوں، سی ای او، سی ایف او، انٹرنل آڈٹ کے سربراہ اور کمپنی سیکرٹری کی طرف سے کی گئی کمپنی کے شینیرز کی تجارت کے ساتھ جوڑا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ:

آپ کی کمپنی اچھی کارپوریٹ گورننس کے لیے پرعزم ہے۔ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے حوالے سے اس کی ذمہ داری کو تسلیم کرتا ہے۔ یہ فنانشل سسٹمٹس اور ان کے نوٹس کمپنیز ایکٹ 2017 کے مطابق لکھے گئے ہیں۔ ان کی تیاری میں جہاں قابل اطلاق ہیں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کو اختیار کیا گیا ہے۔ اکاؤنٹس کی مناسب کتابوں کو برقرار رکھا گیا ہے اور کمپنی نے ان فنانشل سسٹمٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا ہوا ہے۔ اور اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلوں کی بنیاد پر کیے گئے ہیں۔

کمپنی کے جاری رہنے کی اہلیت پر کوئی شک نہیں ہے۔ کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی قابل ذکر شے کو نہیں چھوڑا، جیسا کہ اسٹاک ایکسچینج کی لسٹنگ کے قواعد میں وضاحت کی گئی ہے۔ اندرونی کنٹرول کا نظام مضبوط ہے اور اسے موثر طریقے سے لاگو اور نگرانی کی جاتی ہے۔

سے عمل کرنے، ڈیٹا کے تجزیات کو بہتر بنانے اور بہتر فیصلہ سازی کی حمایت کرنے کے لیے بھی تلاش کر رہے ہیں۔ ہم آپریشنز کے تسلسل کے لیے جدید سکیورٹی پروٹوکولز اور قابل اعتماد بیک اپ حل کے ساتھ اپنی سائبر سکیورٹی کو مضبوط بنانے کے لیے پُر عزم ہیں۔ یہ پیشرفت رسک مینجمنٹ کو بھی تقویت دے گی، ریگولیٹری تعمیل کو یقینی بنائے گی اور اندرونی کنٹرول کو بہتر بنائے گی، جس سے ایک محفوظ ذہن اور مستقبل کے لیے تیار IT ماحول پیدا ہوگا۔

اسٹاف کی ریٹائرمنٹ کے فوائد:

کمپنی نے کیمیکل ڈویژن میں اپنے ملازمین کے لیے ایک تسلیم شدہ پروویڈنٹ فنڈ برقرار رکھا ہوا ہے، اور پاک قطر تکافل لمیٹڈ کے ساتھ اپنے ملازم کو فیملی گروپ سیونگ تکافل پلان پیش کرنے کا معاہدہ کیا ہے۔ گروپ سیونگ تکافل پلان ایک تکافل پلان ہے جو پروویڈنٹ فنڈ کے ممبر کو جاری کیا جاتا ہے۔ جس کے تحت انکم ٹیکس رولز، 2002 کے سیکشن 103 (اجازت شدہ انخلاء) کے ذیلی سیکشن (h) کے تحت ملازمین کی طرف سے مستقل طور پر نکالے جانے کے بعد، پروویڈنٹ فنڈ کا کل بیلنس ملازمین کی انفرادی پالیسیوں میں جاتا ہے۔ ٹیکسٹائل ڈویژن کے ملازمین قانون کے مطابق گریجویٹ کے حقدار ہیں اور اکاؤنٹس میں IAS-19 کے مطابق مناسب رقم وقف کی گئی ہے۔

قومی خزانے میں حصہ:

سال 2026 کے دوران آپ کی کمپنی نے قومی خزانے میں انکم ٹیکس اور سیلز ٹیکس کی مد میں -7,292/ ملین روپے جمع کروائے جو گزشتہ سال -7,518/ ملین روپے تھے۔ اس میں درآمدی ڈیوٹیاں، ملازمین، سپلائرز اور ٹھیکیداروں سے وڈ ہولڈنگ ٹیکس کی کٹوتی شامل نہیں ہے۔

ڈائریکٹرز کے معاوضے کی پالیسی کی نمایاں خصوصیات:

بورڈ آف ڈائریکٹرز نے ایگزیکٹو ڈائریکٹرز کمپنی کے معاملات میں ذمہ داری کے لحاظ سے معاوضے کی ایک رسمی پالیسی منظور کی ہوئی ہے۔ یہ معاوضہ ان کی ذمہ داری اور کمپنی کو کامیابی سے چلانے کی مہارت کے مطابق ہے۔ کمپنی آزاد ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کی میٹنگ میں حاضری کی فیس کے علاوہ اور کوئی معاوضہ ادا نہیں کرتی۔ ایگزیکٹو ڈائریکٹرز کا معاوضہ انسانی وسائل اور معاوضے کی کمیٹی کی سفارش پر بورڈ منظور کرتا ہے۔ چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹرز کے معاوضے کی مجموعی رقم کو مالیاتی گوشوارے کے نوٹ نمبر 41 میں دکھایا گیا ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ دو ایگزیکٹو ڈائریکٹر، دو آزاد ڈائریکٹر اور دو نان ایگزیکٹو مرد اور ایک نان ایگزیکٹو خاتون ڈائریکٹر پر مشتمل ہے۔ آزاد اور نان ایگزیکٹو ڈائریکٹرز مینجمنٹ کے انتظامات میں خود مختار ہیں۔ بورڈ نے کمپنی کے روز بروز کے معاملات چیف ایگزیکٹو آفیسر کے سپرد کیے ہوئے ہیں۔

سال 2026 کے دوران بورڈ کی کل 5 میٹنگز منعقد ہوئیں جس میں ڈائریکٹرز کی حاضری مندرجہ ذیل رہی:

سیریل نمبر	نام	کسیٹگری	میٹنگز میں شرکت کی تعداد
1	احمد حسن	آزاد ڈائریکٹر	04
2	محمد ادریس	ایگزیکٹو ڈائریکٹر	05
3	اعجاز حسین	ایگزیکٹو ڈائریکٹر	05
4	عبدالاول	نان ایگزیکٹو ڈائریکٹر	05
5	نجم الہدی خان	نان ایگزیکٹو ڈائریکٹر	05
6	ہارون احمد زبیری	آزاد ڈائریکٹر	05
7	مسز شہلا وحید شیر	نان ایگزیکٹو ڈائریکٹر	05

آپ کی کمپنی SEDEX (Supplier Ethical Data Exchange) اور Ethical Trade (Sedex Members Audit) SMETA 4 Pillar Audit یعنی لیبر اسٹینڈرڈز، ہیلتھ اینڈ سیفٹی، ماحولیات اور کاروباری اخلاقیات) کی رکن بھی ہے۔

تنوع، مساوات اور شمولیت:

آپ کی کمپنی اپنی صنعتی مینوفیکچرنگ سہولیات کے دور دراز مقام سے وابستہ عملی افرادی قوت اور تنوع کے چیلنجوں کو تسلیم کرتے ہوئے میرٹ، قابلیت اور کارکردگی کی بنیاد پر ایک جامع اور مساوی کام کی جگہ کو فروغ دینے کے لیے پرعزم ہے۔ ان آپریشنل رکاوٹوں کے باوجود، کمپنی اپنے انسانی سرمائے کے انتظام کے نقطہ نظر کے لازمی عناصر کے طور پر مساوی مواقع، منصفانہ روزگار کے طریقوں اور غیر امتیازی سلوک کو فروغ دیتی ہے۔

اپنے ESG فریم ورک کی جاری ترقی کے حصے کے طور پر، کمپنی متعلقہ سماجی اور انسانی سرمائے کے اشاریوں کی شناخت، پیمائش اور رپورٹنگ کو مزید مضبوط کرنے کا ارادہ رکھتی ہے، بشمول مناسب تنوع، ایکویٹی اور انکلوژن میٹریکس۔ یہ کارکردگی کی مزید منظم نگرانی کی حمایت کرے گا اور قابل اطلاق ریگولیٹری اور پائیداری کی رپورٹنگ کے تقاضوں کے مطابق بہتر انکشافات کی سہولت فراہم کرے گا۔

انسانی وسائل کی ترقی:

ستارہ کیمیکل انڈسٹریز لمیٹڈ کا ہیومن ریسورس ڈیپارٹمنٹ اپنے ملازمین کی ترقی کا باقاعدہ پروگرام نافذ العمل کرتا ہے کوششوں کے ذریعے کمپنی اپنے ملازمین کی معلومات اور استعداد کو بڑھاتی ہے تاکہ وہ اپنے کاموں کو موثر طریقے سے انجام دیں۔ ہم مروجہ لیبر قوانین کی تعمیل کو یقینی بناتے ہوئے کام کے مثبت ماحول کو فروغ دینے اور اسے برقرار رکھنے اور اسے کام کرنے کی ایک بہترین جگہ بنانے کے لیے انڈسٹری میں بہترین طریقوں کی پیروی کرتی ہے۔ کمپنی اپنے ملازمین کے لیے مسلسل تربیتی پروگرام منعقد کرتی ہے تاکہ ان کی صلاحیت کو بڑھایا جاسکے۔

اندرون کمپنی تربیتی پروگرام نہ صرف دوسروں سے سیکھنے کا موقع فراہم کرتا ہے بلکہ ٹیم بنانے میں بھی مدد کرتا ہے۔ تربیت اور ترقی ہمارے کاروبار کی ترقی اور کامیابی میں اہم کردار ادا کرتی ہے۔ تربیت ملازمین کو نئی مہارتیں حاصل کرنے، موجودہ مہارتوں کو تیز کرنے، بہتر کارکردگی کا مظاہرہ کرنے، پیداواری صلاحیت بڑھانے اور ایک بہتر رہنما بننے کا موقع دیتی ہے۔ اور ہمیشہ عملے کی تربیت کے مواقع کا خیر مقدم کرتی ہے، ان کے علم، وزن، مہارت، تکنیک اور سیکھنے کی تہذیبوں کے بارے میں آگاہی کو وسیع کرتی ہے۔ اس مقصد کے لیے، عملے کو تربیت دینے کے لیے سال کے دوران متعدد اندرون خانہ ورکشاپس / تربیتی سیشن منعقد کیے گئے۔ مالی سال 2026 کے دوران کمپنی نے 1,084 ملازمین کو تربیت دی جبکہ گزشتہ سال ملازمین کی تعداد 1,928 تھی۔

کارپوریٹ سماجی ذمہ داری:

آپ کی کمپنی اپنی کارپوریٹ سماجی ذمہ داری (CSR) کے مختلف اقدامات کے ذریعے ان برادریوں کی فلاح و بہبود میں اپنا کردار ادا کرتی رہتی ہے جہاں وہ کام کرتی ہے۔ اس کی کمیونٹی سپورٹ کی سرگرمیاں بنیادی طور پر صحت، پینے کے صاف پانی کی فراہمی، ماحولیاتی بہتری اور معاشرے کے مستحق طبقات کی معاونت پر مرکوز ہیں۔

ان اقدامات کے ایک حصے کے طور پر، کمپنی مقامی آبادی کے فائدے کے لیے فیصل آباد اور اس کے گرد و نواح میں مختلف مقامات پر نصب پینے کے صاف پانی کی سہولیات کو چلانے اور ان کی دیکھ بھال کا سلسلہ جاری رکھے ہوئے ہے۔ سال کے دوران، کمپنی نے فلاحی ہسپتالوں، بہبود عامہ کے اداروں اور سماجی و کمیونٹی کی ترقی کی سرگرمیوں میں مصروف دیگر تنظیموں کو مالی معاونت اور عطیات کی فراہمی کا عمل جاری رکھا۔

انفارمیشن ٹیکنالوجی:

انفارمیشن ٹیکنالوجی (IT) ہماری کمپنی کی ڈیجیٹل تبدیلی میں سب سے آگے ہے۔ ہمارے اقدامات آپریشنل کارکردگی کو بہتر بنانے، ڈیٹا مینجمنٹ کو سنٹرلائز کرنے، اور آئی ٹی صلاحیتوں کو بدلتی ہوئی کاروباری ضروریات کے ساتھ ہم آہنگ کرنے پر مرکوز ہیں۔ ہم مصنوعی ذہانت (AI) کے استعمال کو خود کار طریقے

آہنگ ہے، جس میں IFRS S1 (پائیداری سے متعلق مالیاتی معلومات کی فراہمی کے عمومی تقاضے) اور IFRS S2 (آب و ہوا سے متعلق معلومات کی فراہمی) کو مرحلہ وار اپنانا شامل ہے۔ اس مقصد کے لیے، کمپنی نے ایک بیرونی پائیداری کنسلٹنٹ کی خدمات حاصل کی ہیں جو موجودہ طریقہ کار کا جائزہ لینے، پائیداری اور آب و ہوا سے متعلق متعلقہ خطرات اور مواقع کی نشاندہی کرنے، ڈیٹا اکٹھا کرنے اور رپورٹنگ کے مناسب عمل قائم کرنے، اور کمپنی کی پہلی پائیداری رپورٹ تیار کرنے میں معاونت فراہم کرے گا۔

یہ رپورٹ 30 جون 2026 کو ختم ہونے والے مالی سال کا احاطہ کرے گی اور اسے الگ سے شائع کیا جائے گا۔ اس میں IFRS S1 کے تحت دستیاب ٹرانزیشن ریلیف (عبوری رعایت) کا اطلاق کیا جائے گا، جو کسی ادارے کو اپنی پہلی سالانہ رپورٹنگ کی مدت میں، متعلقہ مالیاتی گوشواروں کی اشاعت کے بعد پائیداری سے متعلق مالیاتی معلومات جاری کرنے کی اجازت دیتا ہے۔ اس سہولت کی بدولت کمپنی کو اس قابل بنایا جاسکے گا کہ وہ اپنی پہلی معلومات (ڈسکلوزرز) کی اشاعت سے قبل ڈیٹا اکٹھا کرنے، انتظامی امور اور رپورٹنگ کے بنیادی عمل کو مستحکم کر سکے۔

یہ اقدام کمپنی کے موجودہ پائیداری کے طریقہ کار سے آگے بڑھ کر ایک زیادہ منظم اور قابل پیمائش رپورٹنگ فریم ورک کی جانب پیش رفت کی نمائندگی کرتا ہے۔ توقع ہے کہ اس سے اہم ESG امور کی نشاندہی اور جانچ پڑتال، متعلقہ پیمانوں اور اہداف کے تعین، انتظامی اور اندرونی رپورٹنگ کے عمل کو مضبوط بنانے، اور سرمایہ کاروں و دیگر اسٹیک ہولڈرز کے لیے شفافیت میں اضافے میں مدد ملے گی۔

ماحول، توانائی کی بچت، معیار، صحت اور حفاظت:

ماحولیاتی ذمہ داری کمپنی میں ایک بنیادی اصول ہے۔ ہم اپنے عوامل کو ماحول دوست رکھنے کی کوشش کرتے ہیں۔ اس طرح ہمارے پیداواری عمل کے دوران اخراج کو کم کر کے پائیداری کو فروغ دیتے ہوئے اپنے آپریشنز سے پیدا ہونے والے فضلہ کو کم اور ٹھکانے لگاتے ہیں جو ماحول کو کم سے کم نقصان پہنچاتا ہے اور زمین، ہوا اور پانی کی آلودگی کو روکتا ہے۔ ہم نے استعداد کار لانے اور ضیاع کو کم کرنے کے لیے جدید طریقے استعمال کیے ہیں۔ ہم ویسٹ ہیٹ ریکوری پلانٹس استعمال کرتے ہیں تاکہ ہوا میں خارج ہونے والی فالتو حرارت کو بجلی پیدا کرنے کے لیے استعمال کیا جاسکے۔ ہمارے ماحول دوست وابستگی کو سپورٹ کرنے کے لیے، فضلہ کو کم کرنے، پانی کے تحفظ اور صاف ستھرا ماحول سے متعلق ہمارے اقدامات کی نگرانی اور ان کو نافذ کرنے کے لیے ایک سرشار توانائی کے تحفظ کی ٹیم قائم کی گئی ہے۔

اس کے ساتھ ساتھ، ہم اپنے صارفین کو مصنوعات کی مسلسل فراہمی کو یقینی بنانے کے لیے معیار، آلودگی سے بچاؤ اور حفاظت کے اعلیٰ ترین معیارات کو برقرار رکھتے ہیں۔ ہماری وابستگی کا اظہار متعلقہ قومی اور بین الاقوامی قانون سازی اور معیارات پر عمل پیرا ہونے سے ہوتا ہے بشمول ISO 9001, ISO 14001, ISO 45001, ISO 50001, FSSC 22000, پاکستان حلال اسٹینڈرڈ (حلال فوڈ سٹینڈرڈ)، جی۔ ایس۔ او۔ حلال فوڈ سٹینڈرڈ، یو۔ اے۔ ای حلال فوڈ سٹینڈرڈ، جنرل گائیڈ لائنز آن حلال کا سیمیٹکس اینڈ پرسنل کیئر پراڈکٹس جیسے تمام متعلقہ قانون سازی اور بین الاقوامی معیارات کی تعمیل کرتے ہوئے اپنے مربوط انتظامی نظام کی مسلسل بہتری کے لیے پُر عزم ہے۔

کمپنی اپنے پاور جنریشن انفراسٹرکچر کو زیادہ سے زیادہ توانائی کے تحفظ کے لیے استعمال کرتی ہے۔ کمپنی موثر ٹیکنالوجیز اور آلات استعمال کرتی ہے جو کم سے کم توانائی استعمال کرتی ہے۔ ہمارے خام مال کا ذمہ دارانہ استعمال، موثر ٹیکنالوجی، اخراج پر قابو پانے کے طریقہ کار اور باقاعدگی سے درخت لگانے سے موسمیاتی تبدیلی کے اثرات کو کم کرنے کے لیے کام کیا جاتا ہے۔

کمپنی پانی کے قیمتی وسائل کے ذمہ دارانہ استعمال پر یقین رکھتی ہے اور اس کے استعمال کو کم کرنے کی ہر ممکن کوشش کرتی ہے۔ پانی کے تحفظ کے کچھ منصوبوں میں ہماری پیداواری سہولیات پر RO پلانٹس کی تنصیب شامل ہے تاکہ اس کے ملازمین کے پینے کا صاف پانی فراہم کیا جاسکے۔

سے اضافہ ہوا، جس کے نتیجے میں مال برداری اور ترسیل کے اخراجات میں اضافہ ہوا۔ یہ مالی سال 2026 کے دوران کمپنی کی فروخت کی حکمت عملی میں نمایاں تبدیلی کی بھی عکاسی کرتا ہے۔ جس کے تحت کاسٹ سوڈ فلکس کی فروخت سابق کام کی بنیاد سے ڈیلیوری کی بنیاد پر منتقل ہو گئے ہیں۔ اس تبدیلی کے نتیجے میں زیادہ اضافہ ہوا۔ تقسیم اور لاجسٹکس کے اخراجات کمپنی کی طرف سے جذب کیے جا رہے ہیں۔ انتظامی اخراجات میں بھی اضافہ ہوا۔ سال کے دوران، بنیادی طور پر زیادہ پے رول کے اخراجات اور انتظامی امور پر افراط زر کے اثرات کی وجہ سے اوور ہیڈز کمپنی نے اپنے آپریٹنگ کو کنٹرول کرنے کے لیے ایک مثبت نقطہ نظر کو برقرار رکھا۔ اس کے برعکس، زیر جائزہ مدت کے دوران اسٹیٹ بینک آف پاکستان کی جانب سے اختیار کی گئی مالیاتی نرمی کے نتیجے میں مالیاتی اخراجات میں کمی آئی۔

شرح سود میں کمی نے کمپنی کے قرض لینے کی شرح کو کم کیا اور مجموعی منافع میں مثبت کردار ادا کیا۔

مالی سال 2026 کے دوران بہتر مجموعی مارجن، موثر لاگت کے انتظام اور مالیاتی اخراجات میں کمی کے نتیجے میں کمپنی کی حتمی مالیاتی کارکردگی میں نمایاں بہتری دیکھی گئی۔ آپ کی کمپنی کا ٹیکس کے بعد کمایا گیا منافع 1,450 ملین روپے ریکارڈ کیا گیا اور فی حصص آمدنی 67.68 روپے رہی۔ جبکہ گزشتہ مالی سال 2025 کے دوران یہ منافع 939 ملین روپے اور فی حصص آمدنی 43.83 روپے تھی۔

50 میگاواٹ کوئلے سے چلنے والا پاور پلانٹ:

مالی سال 2026 کے دوران، آپ کی کمپنی نے کوئلے سے چلنے والے اپنے 50 میگاواٹ کے پاور پلانٹ کی تکمیل اور اسے فعال کرنے کا عمل کامیابی سے مکمل کیا۔ یہ پیش رفت کمپنی کی جانب سے آپریشنل کارکردگی کو بہتر بنانے اور توانائی کے تحفظ کو بڑھانے کو جاری کوششوں میں ایک اہم سنگ میل کی حیثیت رکھتی ہے۔ یہ منصوبہ ایک تزویراتی سرمایہ کاری ہے جس کا مقصد کمپنی کے انرجی کس (توانائی کے ذرائع کے امتزاج) کو بہترین بنانا اور طویل مدت میں توانائی کی لاگت میں پائیدار بچت حاصل کرنا ہے۔

کریڈٹ ریٹنگ:

مالی سال 2026 کے دوران، VIS کریڈٹ ریٹنگ کمپنی لیمیٹڈ کی طرف سے کمپنی کی کریڈٹ ریٹنگ کا دوبارہ جائزہ لیا گیا، جس نے آپ کی کمپنی کی درجہ بندی کو A+ / A2 (سنگل اے پلس / اے ٹو) کے طور پر دوبارہ تصدیق کی، جبکہ تفویض کردہ ریٹنگ پراؤٹ لک کو بھی 'مستحکم' کے طور پر برقرار رکھا گیا ہے۔

درمیانی سے طویل مدتی درجہ بندی کے لیے A+ مضبوط تحفظ کے عوامل کے ساتھ اچھے کریڈٹ کوالٹی کی نشاندہی کرتی ہے۔ قلیل مدت کے لیے "A2" درجہ بندی بہترین لیکویڈیٹی کے ساتھ بروقت ادائیگیوں کے اعلیٰ یقین کی نشاندہی کرتی ہے۔ لیکویڈیٹی عوامل اور کمپنی کے بنیادی اصول درست ہیں۔ کپٹل مارکیٹ تک رسائی اچھی ہے۔ خطرے کے عوامل چھوٹے ہیں۔ تفویض کردہ درجہ بندی پراؤٹ لک مستحکم رہتا ہے۔ تازہ درجہ بندی مقامی کلور الکل مارکیٹ میں کمپنی کی قائم کردہ پوزیشن اور کیمیکلز، اولیو کیمیکلز اور ٹیکسٹائل میں اس کے آپریشنل تنوع سے مضبوطی حاصل کرتی ہے۔

پائیداری، ای ایس جی (ESG) اور آب و ہوا سے متعلق امور:

کمپنی اس بات کو تسلیم کرتی ہے کہ کاروباری کارکردگی کو پائیدار بنانے، لچک پیدا کرنے اور طویل مدتی قدر کے حصول کے لیے ماحولیاتی، سماجی اور انتظامی پہلوؤں کی اہمیت میں مسلسل اضافہ ہو رہا ہے۔ اسی مناسبت سے، پائیداری سے متعلق خطرات اور مواقع کمپنی کے وسیع تر انتظامی ڈھانچے، رسک مینجمنٹ اور آپریشنل امور کا حصہ بنے ہوئے ہیں۔

سال کے دوران، کمپنی نے اپنے پائیداری سے متعلق رپورٹنگ کے نظام کو مزید مستحکم کرنے کے لیے ایک منظم عمل کا آغاز کیا۔ یہ اقدام بدلتے ہوئے ریگولیٹری تقاضوں اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مقرر کردہ پائیداری سے متعلق معلومات کی فراہمی (ڈسکلوزر) کے فریم ورک سے ہم

ڈائریکٹرز رپورٹ

اللہ تعالیٰ کے بابرکت نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔ ستارہ کیمیکل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2026 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالی گوشوارے بمعہ آڈٹ رپورٹ اور بیرونی شرعی آڈیٹرز کی رپورٹ کے ساتھ پیش کرتے ہوئے پُرمسرت ہیں۔

معاشی جائزہ:

مالی سال 2026 کے دوران پاکستان کی معیشت نے اپنی مثبت رفتار کو جاری رکھا، جس میں ڈی جی پی (GDP) کی شرح نمو بڑھ کر 3.70 فیصد ہو گئی جو کہ گزشتہ سال 3.18 فیصد تھی۔ اس بہتری کو مینوفیکچرنگ کے شعبے میں نمایاں بحالی، شرح سود میں کمی اور شرح مبادلہ میں نسبتاً استحکام کا سہارا ملا۔ بڑے پیمانے کی مینوفیکچرنگ (Large-Scale Manufacturing) میں 6.6 فیصد نمو ریکارڈ کی گئی، جبکہ گزشتہ سال یہ شرح 2.0 فیصد تھی۔ یہ صنعتی سرگرمیوں میں وسیع پیمانے پر بہتری کی عکاس ہے۔ اس کے برعکس، ٹیکسٹائل کے شعبے میں نمو کی رفتار سست رہی اور مالی سال 2026 کی مدت جولائی تا مارچ کے دوران اس میں 0.7 فیصد اضافہ ہوا، جو کہ گزشتہ سال کی اسی مدت کے دوران یہ اضافہ 2.5 فیصد تھا۔ تاہم، مالی سال کے اختتام کے قریب افراط زر کے دباؤ میں دوبارہ اضافہ دیکھنے میں آیا۔ افراط زر کی شرح اپریل 2026 میں بڑھ کر 10.9 فیصد ہو گئی جبکہ مارچ 2026 میں یہ شرح 7.3 فیصد تھی۔ جس کی بنیادی وجوہات عالمی سطح پر تیل کی بڑھتی ہوئی قیمتیں اور مشرق وسطیٰ کے بحران کے باعث رسد میں خلل تھیں۔ نتیجتاً، مالی سال 2026 کی مدت جولائی تا اپریل کے دوران اوسط افراط زر 6.2 فیصد رہا، جبکہ گزشتہ سال اسی عرصے میں یہ شرح 4.7 فیصد تھی۔ مالی سال 2026 کے دوران مانیٹری پالیسی کے محاذ پر، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ کو بڑی حد تک 10.5 فیصد سے 11.5 فیصد تک برقرار رکھا۔ اس مالیاتی نرمی نے کاروبار کے لیے قرض لینے کی لاگت کو کم کرنے میں اہم کردار ادا کیا۔

کاروباری اور مالیاتی کارکردگی:

مالی سال 2026 کے دوران، مارکیٹ کے مشکل حالات کے باوجود آپ کی کمپنی نے اپنی مجموعی فروخت کی کارکردگی کو برقرار رکھا۔ اس سال کے لیے کل خالص فروخت 32,553 ملین روپے ریکارڈ کی گئی جو گزشتہ سال 32,530 ملین روپے تھی، جو کہ 0.07 فیصد کے معمولی اضافے کو ظاہر کرتی ہے۔ آمدنی کی سطح نسبتاً مستحکم رہنے کے باوجود، کمپنی نے منافع کے لحاظ سے نمایاں بہتری حاصل کی۔

مجموعی منافع گزشتہ سال کے 5,619 ملین روپے سے بڑھ کر 6,156 ملین روپے ہو گیا۔ نتیجتاً، زیر جائزہ سال کے دوران مجموعی منافع کا مارجن 17.26 فیصد سے بڑھ کر 18.91 فیصد ہو گیا۔ سال کے دوران کاسٹک سوڈا کی فروخت کا حجم دباؤ کا شکار رہا، جس کی بنیادی وجہ کاغذی صنعت کی جانب سے طلب میں کمی تھی۔ تاہم، دیگر متعلقہ کیمیائی مصنوعات کی فروخت کے زیادہ حجم نے اس کمی کی کافی حد تک تلافی کر دی۔ مجموعی مارجن میں بہتری کو بجلی کی لاگت میں کمی سے بھی تقویت ملی، جو حکومت پاکستان کی جانب سے دسمبر 2025 میں صنعتی صارفین کے لیے اضافی کھپت ٹیکس متعارف کرائے جانے کے بعد ممکن ہوئی۔ بجلی کی لاگت میں اس کمی سے کمپنی کی بجلی کی مجموعی لاگت کے تناسب اور منافع کو بہتر بنانے میں مدد ملی۔

مجموعی طور پر ٹیکسٹائل سیکٹر کی سست کارکردگی کے پیش نظر، اس سال بھی آپ کی کمپنی کے ٹیکسٹائل کے شعبے کو آپریشنل سطح پر مشکل حالات کا سامنا رہا۔ ان چیلنجز کے باوجود، آپ کی کمپنی اپنی آپریشنل کارکردگی کو بہتر بنانے اور اخراجات کو قابو میں رکھنے پر توجہ مرکوز رکھے ہوئے تھی۔ اس سلسلے میں، کمپنی نے شمسی توانائی کے ذریعے دن کے اوقات میں بجلی کی اپنی 100 فیصد ضروریات پوری کر کے ایک اہم سنگ میل عبور کیا۔ اس اقدام سے شعبے کے بجلی کے اخراجات کم کرنے اور مجموعی منافع کے مارجن کو بہتر بنانے میں مثبت کردار ادا کرنے میں مدد ملی۔

سال کے دوران تقسیم کے اخراجات میں اضافہ ہوا، بنیادی طور پر POL کی بڑھتی ہوئی قیمتوں کی وجہ سے، خاص طور پر مارچ 2026 کے دوران تیزی

SIX YEARS AT A GLANCE

Financial Highlights

Operating Results (Rupees in thousand)	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
Revenue from contracts with customers - net	32,552,862	32,530,216	31,111,880	27,492,639	21,625,585	14,784,537
Gross profit	6,155,709	5,618,961	4,919,260	4,479,575	2,872,908	2,932,903
Operating profit	3,914,435	3,764,936	3,490,579	3,054,186	1,795,685	2,274,103
Profit before taxation	2,372,848	1,861,306	1,141,881	1,442,506	898,439	1,669,796
Profit after taxation	1,450,275	939,275	585,508	993,351	655,639	1,347,690
Total comprehensive income	1,820,942	1,015,924	1,674,143	737,293	370,810	1,403,604
EBITDA (Earnings Before Finance Cost, Taxes, Depreciation, and Amortization)	5,589,704	5,295,158	4,840,747	4,396,747	3,111,251	3,375,556

Financial Position (Rupees in thousand)	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
Assets employed						
Property, plant and equipment	32,374,690	29,901,980	22,972,726	18,458,822	17,344,777	16,923,448
Intangible assets	7,279	6,371	6,787	7,541	8,379	9,007
Investment property	3,418,982	3,418,251	3,427,127	3,320,667	3,259,192	3,312,590
Long term investment	20,039	20,039	20,039	25,039	25,039	25,039
Advances and deposits	685,253	664,989	350,575	1,429,904	801,853	1,162,720
Current assets	14,681,554	13,534,899	13,733,616	11,697,800	11,115,180	9,107,225
Current liabilities	(19,975,865)	(16,711,978)	(15,576,690)	(12,637,183)	(11,716,479)	(10,160,187)
	31,211,931	30,835,283	24,934,180	22,302,590	20,837,941	20,379,842

Financed by						
Share capital	214,294	214,294	214,294	214,294	214,294	214,294
Reserves	16,680,182	14,972,853	13,956,242	13,274,870	12,298,101	11,684,274
Surplus on revaluation of property, plant and equipment	3,556,459	3,678,570	3,893,550	3,115,074	3,525,985	3,983,297
Total shareholders' equity	20,450,935	18,865,716	18,064,086	16,604,238	16,038,381	15,881,865
Long term financing	6,454,023	8,021,931	2,937,312	2,348,979	1,825,505	1,865,065
Long term deposits and deferred liabilities	4,306,973	3,946,904	3,932,782	3,349,373	2,974,056	2,632,912
	31,211,931	30,834,551	24,934,180	22,302,590	20,837,941	20,379,842

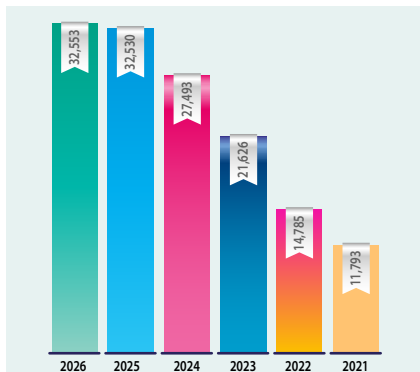
Cash Flow Summary (Rupees in thousand)	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
Net cash generated from operating activities	2,687,035	3,156,254	327,867	2,233,536	1,480,346	1,223,233
Net cash used in Investing activities	(3,570,865)	(7,365,432)	(3,548,551)	(2,938,336)	(1,298,408)	(3,171,135)
Net cash generated from / (used in) financing activities	770,720	4,183,567	3,246,841	716,428	(50,350)	2,057,361
(Decrease)/Increase in cash and bank Balance	(113,111)	(25,610)	26,157	11,628	131,588	109,459
Cash and cash equivalent at the beginning of the year	334,865	360,476	334,318	322,690	191,102	81,643
Cash and cash equivalent at the end of the year	221,754	334,865	360,476	334,318	322,690	191,102

SIX YEARS AT A GLANCE

Financial Highlights

Financial Ratios	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
Profitability Ratios:						
Gross Profit (%)	18.91	17.27	15.81	16.29	13.28	19.84
Operating Profit (%)	12.02	11.57	11.22	11.11	8.30	15.38
Profit before tax (%)	7.29	5.72	3.67	5.25	4.15	11.29
Profit after tax (%)	4.46	2.89	1.88	3.61	3.03	9.12
Per Share Figures:						
Earnings per share (EPS) (Rs.)	67.68	43.83	27.32	46.35	30.60	62.89
Market value per share - (Rs.)	738.47	495.81	344.33	225.58	310.00	352.00
Cash dividend per share - (Rs.)	13.00	11.00	10.00	8.00	10.00	10.00
Activity Ratios:						
Inventory turnover (times)	5.59	6.84	7.22	5.82	5.31	4.67
Debtors turnover (times)	11.55	10.70	11.54	15.19	15.73	11.53
Creditors turnover (times)	12.77	17.38	22.74	22.90	21.69	18.29
Fixed assets turnover (times)	1.05	1.23	1.50	1.54	1.26	0.93
Liquidity Ratio:						
Current ratio (times)	0.73	0.81	0.88	0.93	0.95	0.90
Market & Return Ratios:						
Price-Earnings Ratio (P/E) (times)	10.91	11.31	12.60	4.87	10.13	5.60
Return on capital employed (ROCE) (%)	12.62	13.50	14.78	14.16	8.71	11.69
Return on equity (ROE) (%)	7.09	4.98	3.24	5.98	4.09	8.49
Solvency Ratios:						
Interest coverage ratio (times)	2.54	1.98	1.49	1.90	2.00	3.76
Debt-to-Equity Ratio (times)	0.94	0.96	0.76	0.61	0.59	0.59

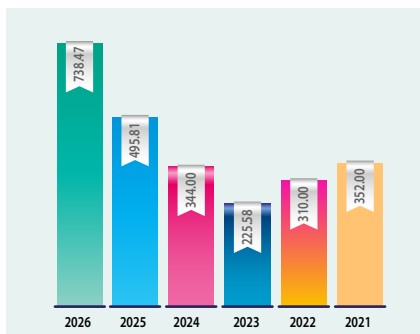
SIX YEARS AT A GLANCE



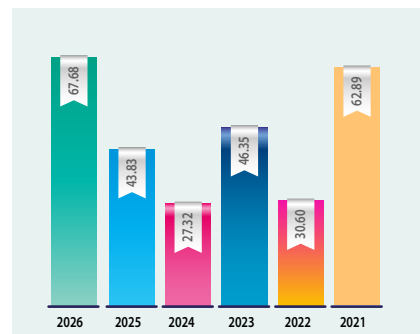
Revenue from contracts with customers - net
(Rs. in million)



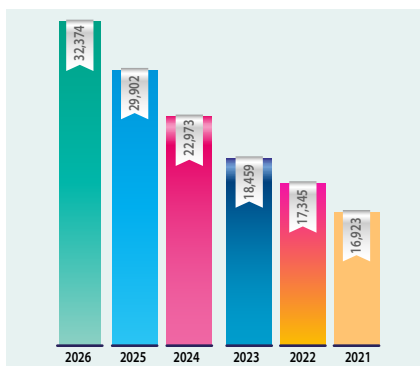
Gross Profit, Operating Profit and Profit before tax
(Rs. in million)



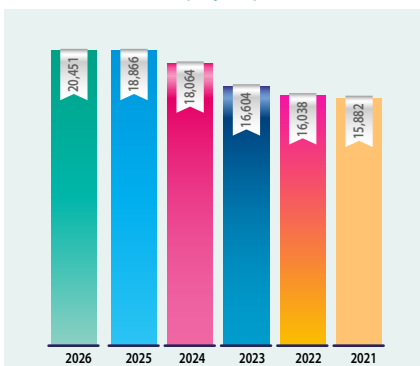
Market value per share
(Rupees)



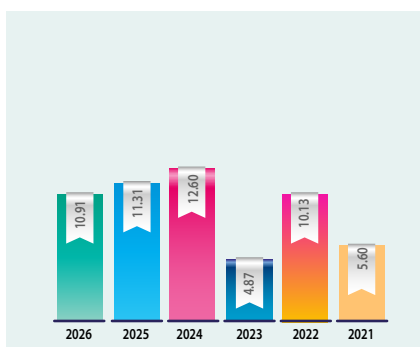
Earnings per share - Basic
(Rupees)



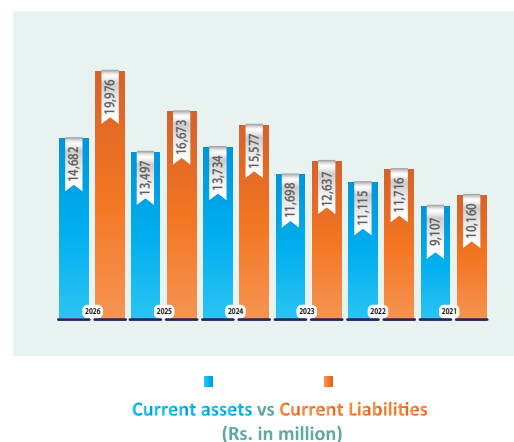
Property, plant and equipment
(Rs. in million)



Shareholders' equity
(Rs. in million)



Price earning ratio
(times)



Current assets vs Current Liabilities
(Rs. in million)

CORPORATE GOVERNANCE

Statement of Director's Responsibility

Board of Directors is mindful of its responsibilities and duties under legal and corporate framework. The Board defines and establishes Company's overall objectives and directions and monitors status thereof. Short term and long term plans and business performance targets are set by Chief Executive Officer under overall policy framework of the Board.

There has been no-material departure from the best practices of the corporate Governance, as detailed in the listing regulation.

Presentation of Financial Statements

The financial statement prepared by the management of the company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

Books of Accounts

Company has maintained proper books of account.

Accounting Policies

Appropriate accounting policies have been consistently applied, in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

Application of International Accounting Standards

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

Internal Control System

System of Internal Control is sound in design and has been effectively implemented and monitored.

Taxation

Information about taxes and levies is given in the notes to and forming part of financial statements.

Going Concerns

There is no doubt about the Company's ability to continue as a going concern.

Audit Committee

Audit committee was established to assist Board in discharging its responsibilities for Corporate Governance, Financial Reporting and Corporate Control. The Committee consists of three members

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was formed to monitor the procedure of selection, evaluation, compensation and succession planning of the key management personal along with designing and implementation of Human Resource Policy of the company. This committee comprises of three members.

GENDER PAY GAP STATEMENT

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2026:

- Mean Gender pay gap: 15.6%
- Median Gender Pay gap: 10.5%

The above percentage reflect the gender pay gap of relevant male versus female employees across the organization.



Muhammad Adrees
Chief Executive Officer
September 28, 2026

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

NUMBER OF SHAREHOLDERS	SHAREHOLDINGS		TOTAL NUMBER OF SHARES
	FROM	TO	
1372	1	100	33,690
567	101	500	140,564
187	501	1000	132,792
181	1001	5000	422,152
37	5001	10000	284,578
15	10001	15000	190,181
8	15001	20000	142,658
4	20001	25000	90,168
3	25001	30000	82,394
5	30001	35000	159,010
3	35001	40000	114,962
2	40001	45000	85,861
3	45001	50000	143,111
1	50001	55000	50,609
1	55001	60000	59,364
1	60001	65000	64,145
2	65001	70000	132,638
2	85001	90000	175,380
1	95001	100000	95,760
1	110001	115000	112,775
2	120001	125000	246,064
1	160001	165000	161,439
1	335001	340000	337,195
1	370001	375000	373,346
1	485001	490000	490,000
1	960001	965000	962,818
1	2190001	2195000	2,194,950
1	13950001	13955000	13,950,802
2405			21,429,406

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

	Number	Share Held	Percentage
NIT & ICP			
National Bank of Pakistan - Trustee Department			
Investment Corporation of Pakistan	2	51,306	0.24
Directors, CEO & their Spouse and Minor Children			
Mr. Muhammad Adrees	1	13,950,802	65.10
Mr. Ahmad Hassan	1	1	0.00
Mr. Ejaz Hussain	1	1	0.00
Mr. Abdul Awwal	1	500	0.00
Mr. Haroon Ahmed Zuberi	1	1	0.00
Mrs. Shala Waheed Sher	1	1	0.00
Mr. Najmul Hoda Khan	1	100	0.00
Bank, Development Finance Institutions, Non Banking Finance Institutions.	5	2,196,216	10.25
Insurance Companies	2	47,066	0.22
Mutual Funds	4	120,988	0.56
Modarabas	1	151	0.00
General Public (Local)	2194	2,055,885	9.59
General Public (Foreign)	135	372,078	1.74
Associated Companies, Undertaking and Related Parties	2	982,548	4.59
Joint Stock Companies, others, etc.	21	733,032	3.42
Others	32	918,730	4.29
	2,405	21,429,406	100.00

Detail of purchase/sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Financial Officer and their spouses/minor children during 2025-2026.

Mr. Haseeb Ahmad (Ex-Director) Sold =83,000= shares during the year.

Mr. Ijaz Hussain, Director Purchased =01= share during the year.

Following shareholders have shareholding of 5% and above in the company.

- a Mr. Muhammad Adrees, Chief Executive 13,950,802
- b Jahangir Siddiqui & Company Limited 2,194,950

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: SITARA CHEMICAL INDUSTRIES LIMITED

Year Ended: June 30, 2026

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Gender	Number
Male	6
Female	1

2. The composition of the Board of Directors is as follows:

Category	Names
Independent Director	Mr. Ahmad Hasan Mr. Harron Ahmad Zuberi
Executive Directors	Mr. Muhammad Adrees Mr. Ejaz Hussain
Non-Executive Directors	Mr. Abdul Awwal Mr. Najm ul Hoda Khan
Female Director	Mrs. Shala Waheed Sher

During the tenure of the above independent directors, the company did not increase the number of independent directors beyond two, as it was confident that the appointed independent directors possessed the requisite qualifications, competencies, skills, knowledge, and experience to effectively discharge their responsibilities in line with the applicable laws and regulations.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;
8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Six (06) directors have completed directors' training program. The remaining One (01) newly elected director, Mr. Ejaz Hussain was unable to complete the required training program due to certain official and personal commitments. The Company confirms that this is being duly followed up, and Mr. Ijaz Hussain has undertaken to complete the Directors' Training Program during the financial year 2026-27.
10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant

requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:
 - a. **Audit Committee**
 - Mr. Haroon Ahmed Zuberi - Independent Director Chairman
 - Mr. Najmul Hoda Khan - Non-Executive Director Member
 - Mr. Abdul Awwal - Non-Executive Director Member
 - b. **Human Resource & Remuneration Committee**
 - Mr. Ahmad Hasan - Independent Director Chairman
 - Mr. Muhammad Adrees - Chief Executive Officer Member
 - Mrs. Shala Waheed Sher - Non-Executive Director Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a. Audit Committee: Four meetings during the financial year ended June 30, 2026; and
 - b. HR and Remuneration Committee: One meeting during the financial year ended June 30, 2026.
15. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirement, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Sr. No	Non-Mandatory Requirement	Explanation	Regulation No.
1	Sustainability Committee and Policy The Board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the Company by setting the Company's sustainability strategies, priorities and targets to create long-term corporate value. In this regard, the Board is also encouraged to adopt the SECP's ESG Disclosure Guidelines. The Board may constitute the Sustainability Committee of such number and class of directors, as it may deem appropriate in its circumstances to carry out a review of effectiveness of sustainability related risk management procedures and present a report to the Board Moreover, the Company may post about the sustainability policy on its website.	The Company recognizes and is committed to its responsibility for the governance and oversight of sustainability risks and opportunities, which includes environmental, social, and governance (ESG) considerations. By setting its sustainability strategies, priorities, and targets, the Company aims to create long-term corporate value. Given the significant impact of ESG factors on investor confidence, financial stability, and overall business viability, Company has integrated these considerations into its operations. This approach has helped mitigating sustainability risks, enhancing Company's reputation, and allow for the offering of sustainable products and services, and ultimately creating long-term value for all stakeholders. Currently, the Board has not constituted a separate Sustainability Committee and the functions are being performed by the Executive Directors.	10(4)(xiv) & 35(1)(vi)
2	Training for Female Executive and Head of Department Regulation 19(3) encourages training for at least one female executive and one head of department annually under the Directors' Training Program (effective July 2020).	Due to operational priorities during the year, the required training could not be arranged. The Company will consider appropriate nominations in the future.	19(3)
3	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.	29(1)
4	Risk Management Committee The Board may constitute the risk management committee of such number and class of directors as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the board.	Currently, the Board has not constituted a risk management committee and the company's Internal Audit Function, performs the requisite functions and apprises the board accordingly.	30(1)
5	Independent Performance Evaluation of the Board The Board of the Company shall ensure that, a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees and it is encouraged to have regular independent evaluation of the Board's performance at least every three years by an external body.	The Company conducts an annual performance evaluation of the Board, its members and its committees, through structured questionnaires completed by each director. The results of the evaluation are considered by the Board as part of its ongoing assessment of the effectiveness and performance of the Board and its committees. However, an independent evaluation of the Board's performance by an external body has not yet been undertaken. The Company intends to consider such evaluation in line with the applicable requirements and good corporate governance practices.	10(3)(v)

On behalf of the Board

Ahmad Hasan

Ahmad Hasan

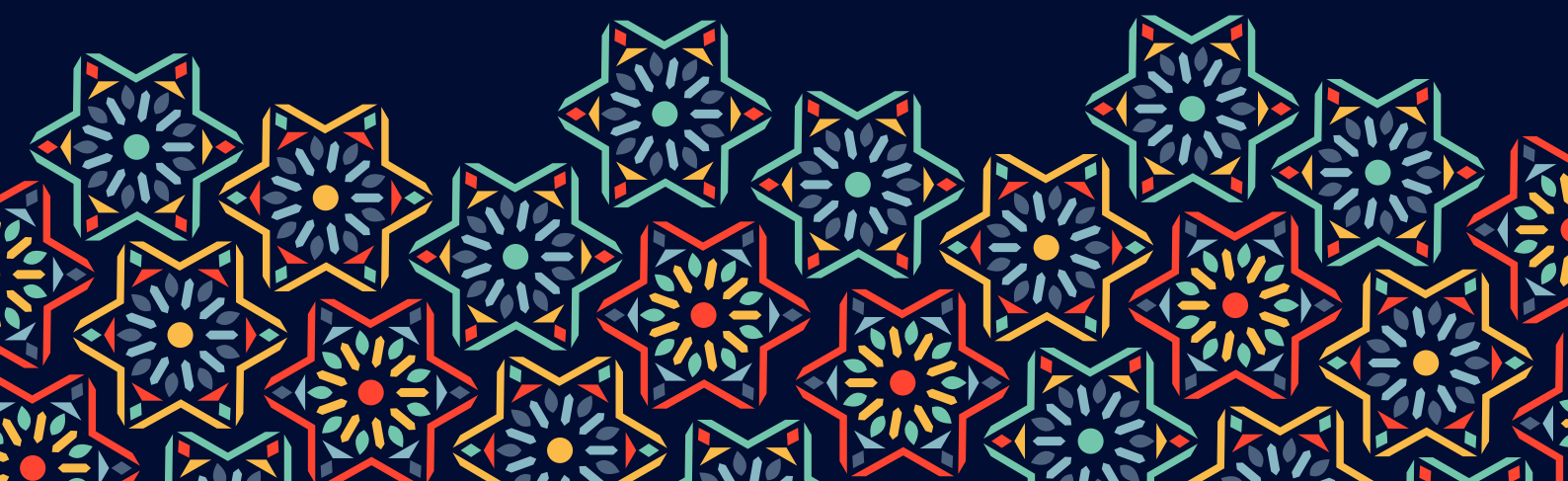
Chairman

Faisalabad

Dated: September 28, 2026



Shariah Compliance Review Report 2026





ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Sep 1, 2026

Shariah Review Report

For the year ended June 30, 2026

We have conducted a Shariah review of Sitara Chemical Industries Limited (SCIL) for the financial year ending on June 30, 2026, in accordance with the provisions outlined in the Shariah Governance Regulations of 2023. Our assessment led us to the following conclusions:

- the transactions, the documentations and the procedures adopted have been in accordance with principles of Shariah;
- the business affairs have been carried out in accordance with rules and principles of Shariah;
- Further, the Shariah non-compliant income earned by the company during the period has been purified from the company's income.

Conclusion:

Based on our review of SCIL's operations, transactions, related documentation, processes, policies, legal agreements, and management's representations, we are of the opinion that the affairs of Sitara Chemical Industries Limited have been carried out in accordance with the rules and principles of Shariah. Accordingly, we are of the view that Sitara Chemical Industries Limited is a Shariah Compliant Company.

In the end, we pray to Allah Almighty to grant us success, guide us and help us at every step, keep us away from every hindrance and difficulty, and bless Sitara Chemical Industries Limited with continued financial success, growth, prosperity, and Shariah compliance.

For and on behalf of Alhamd Shariah Advisory Services (Private) Limited

Mufti Abdul Rafey
Senior Research Scholar



Mufti Ubaid ur Rehman Zubairi
Director

Mufti Ibrahim Essa
Chief Executive Officer

Address: Flat 503, 8th Floor Ibrahim Residency, C.P & Berar Society, Karachi.

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM"/"Meeting") of Sitara Chemical Industries Limited (the "Company") will be held on Tuesday, 27th day of October, 2026 at 3:00 p.m. at JS Auditorium, IBA City Campus, Plot # 68 & 88, Garden / Kayani Shaheed Road, Opp: OMI Hospital, Karachi – 74400 in person and via video-link, to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026 together with the Reports of Directors and Auditors thereon and Chairman's Review Report.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(i)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

<https://www.sitara.com.pk/wp-content/uploads/2026/10/SCIL-Annual-Report-2026.pdf>



2. To approve payment of Cash Dividend at the rate of 130% (Rs. 13/- per share) as recommended by the Board of Directors.
3. To appoint Auditors and to fix their remuneration for the year ending June 30, 2027. The shareholders are hereby given notice that the Board of Directors recommend, based on the recommendation of Board Audit Committee, re-appointment of M/s. Yousuf Adil, Chartered Accountants, as auditors of the Company.
4. To transact any other ordinary business with the permission of the Chair.

B. SPECIAL BUSINESS

Since the sale of Company's freehold land (Investment Property) could not be materialized during the year 2025-26, the following resolution is required to be revalidated, considered and approved by the shareholders of the Company.

To consider and, if deemed fit, pass the Ordinary Resolution, provided in the statement of material facts annexed to this notice and circulated to the shareholders under Section 183(3)(a) of the Companies Act, 2017, for sale of Company's Freehold Agriculture Land (Investment Property).

Attached to this notice circulated to the shareholders is a statement of material facts under Section 134 (3) of the Companies Act, 2017 along with draft Ordinary Resolution proposed to be passed.

By Order of the Board

KARACHI
September 28, 2026

Mazhar Ali Khan
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

A. CLOSURE OF SHARE TRANSFER BOOKS

The Members' Register and Share Transfer Books of the Company will remain closed from October 21, 2026 to October 27, 2026 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi by the close of business on October 20, 2026 will be considered in time for entitlement of the dividend.

B. PARTICIPATION IN THE ANNUAL GENERAL MEETING.

A member entitled to attend and vote at this meeting is entitled to appoint another person as his/her proxy to attend and vote. Proxies in order to be effective must be received at Company's Share Registrar's Office M/s. THK Associates (Pvt.) Limited, Plot no. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi duly stamped and signed not less than 48 hours before the time of meeting.

C. CDC ACCOUNT HOLDERS WILL HAVE TO FOLLOW FURTHER UNDER MENTIONED GUIDELINES AS LAID DOWN BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN.

a) *For attending the meeting:*

- i) In case of individuals, the account holders or sub-account holders and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC), or Original Passport at the time of attending the meeting.
- ii) In case of Corporate Entities, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

b) *For appointing proxies:*

- i) In case of individuals, the account holders or sub account holders and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- ii) In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company's registrar.
- iii) Form of proxy is attached to the notice of meeting being sent to the members. Proxy Form may also be downloaded from the Company's website i.e. www.sitara.com.pk

D. PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 and Regulation 4 of the Companies (Distribution of Dividend) Regulations, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the designated bank account by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend form available on website of the company and also attached with the notice of meeting being sent to the shareholders. In case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

NOTICE OF ANNUAL GENERAL MEETING

E. WITHHOLDING TAX ON DIVIDEND INCOME

Deduction of Income Tax from dividend payments shall be made on the basis of filers and non-filers as follows:

1.	Filer of Income Tax Returns	15.00%
2.	Non-Filer of Income Tax Returns	30.00%

Income Tax will be deducted on the basis of Active Tax Payers list posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio/ CDC A/c No.	Name of Shareholders	No. of Shares or percentage (Proportion)	CNIC No.	(Principal/Joint Shareholders)

F. UNCLAIMED DIVIDEND / SHARES

Shareholders, who by any reason, could not claim their dividend or did not collect their physical shares, are advised to contact our Share Registrar, M/s. THK Associates (Private) Limited to collect/enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

G. SUBMISSION OF COPIES OF CNIC NOT PROVIDED EARLIER

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar/CDC (as the case may be). In case of non-availability of a valid copy of the shareholders' CNIC in the records of the Company, the company shall withhold the dividend under the provisions of Section 243 of the Companies Act, 2017 and Regulation 6 of The Companies (Distribution of Dividend) Regulations 2017.

H. CONVERSION OF PHYSICAL SHARES INTO BOOK ENTRY FORM

The Securities and Exchange Commission of Pakistan (SECP) through its letter No.CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the Listed Companies to adhere with the provision of the Section 72 of the Companies Act, 2017 (the Act) by replacing shares issued by them in Physical Form with the shares to be issued in the Book-Entry Form. Sitara Chemical Industries Limited (the "Company"), being a listed company is also required to comply with aforesaid provision of Act.

NOTICE OF ANNUAL GENERAL MEETING

The shareholders of Sitara Chemical Industries Limited having physical folios/share certificates are requested to convert their shares from Physical Form into Book Entry Form as soon as possible. The shareholders of Company may contact the Share Registrar and Transfer Agent of the Company, namely M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi for the conversion of Physical Shares into Book-Entry Form.

I. ELECTRONIC CIRCULATION OF ANNUAL REPORTS VIA EMAIL:

Pursuant to the provision of Companies Act, 2017, a weblink to download annual report is being sent to the shareholders electronically via Email. However, shareholders who wish to receive hardcopy of Financial Statements shall have to fill the attached standard request form (also available on the company's website www.sitara.com.pk) and send at the Company's address.

J. PARTICIPATION IN THE AGM

The Company has made arrangements for participation of shareholders in the AGM via video link. Those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at reg.agm@sitara.com.pk with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email.

K. AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended June 30, 2026 have been placed at the Company's website: www.sitara.com.pk.

Whereas, in compliance with section 223(6) of the Companies Act, 2017, pursuant to the SECP's S.R.O. 389(I)/2023 dated March 21, 2023 and the shareholders' approval in the Annual General Meeting held on October 21, 2023 to circulate the annual audited financial statements to its members through QR enabled code and weblink. Thus, the audited financial statements of the Company for the year ended June 30, 2026 can be accessed through the QR enabled code and the weblink. The Company will, however, provide hard copy of the Annual Audited Financial Statements to the shareholders at their registered addresses, within seven days, on request, free of cost. The request form is available on Company's website.

L. CHANGE OF ADDRESS

Members are requested to promptly notify any change in their addresses. Shareholders maintaining their shares in book entry form should have their address updated with their participant / CDC Investor Account Service.

M. DECLARATION AS PER ZAKAT & USHER ORDINANCE 1980

Members are requested to submit declaration as per Zakat & Ushr Ordinance, 1980 for zakat exemption and to advise change in address, if any.

N. POSTAL BALLOT / E- VOTING

Pursuant to the Companies (Postal Ballot) Regulations 2018 and with Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through Postal

NOTICE OF ANNUAL GENERAL MEETING

Ballot that is voting by post or through any electronic mode (e- voting), in accordance with the requirements and procedures contained in the aforesaid Regulations.

O. ELECTRONIC VOTING

Detail of E-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on October 20, 2026. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login. Members shall cast vote online from October 25, 2026 from 9.00 a.m. until October 26, 2026 until 5:00 p.m. Voting shall close on October 26, 2026, at 5:00 p.m. Once the vote on the resolution has been casted by a Member, he/she shall not be allowed to change it subsequently

P. Voting Rights of Members at the AGM Under S.R.O. 451(I)/2025

Pursuant to S.R.O. 451(I)/2025 dated March 13, 2025 issued by the Securities and Exchange Commission of Pakistan (SECP), members / shareholders who did not cast their vote through electronic voting or postal ballot prior to the date of the AGM and attend the meeting in person shall be allowed to cast their vote at the AGM through ballot paper.

Q. CONSENT FOR VIDEO CONFERENCE FACILITY

In accordance with Section 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.

The Company will intimate to members regarding the venue of video conference facility at least 3 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Sitara Chemical Industries Limited, holder of _____ ordinary share (s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.

R. PROHIBITION OF DISTRIBUTION OF GIFTS

The Securities and Exchange Commission of Pakistan (the "SECP"), vide S.R.O.452(1)/2025 has strictly prohibited companies from providing gifts or incentives, in lieu of gifts tokens/coupons /lunches/takeaway/packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

S. APPOINTMENT OF SCRUTINIZER

In accordance with the Regulation 11 of the Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), the Board of the Company has appointed M/s. Yousuf Adil, Chartered Accountants, a QCR rated audit firm, to act as scrutinizer of the Company for the Special Business and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT OF MATERIAL FACTS

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of Sitara Chemical industries Limited to be held on October 27, 2026.

The information required under Section 134 (3) of the Companies Act, 2017 read with S.R.O. 423 (I)/2018 dated 03 April, 2018 is as under:

Agenda item No. 5

a) Description/Name of asset;	Agricultural Land (Investment property)
b) Acquisition date of the asset;	Land was acquired on different dates over the period from year 2003-2004 to 2021-2022 & 2025-2026. The details are available in Fixed Asset Register, which will be available for inspection of members during office working hours.
c) Cost;	Rs.2,858,650,433/-
d) Revalued amount and date of revaluation (if applicable);	Not Applicable - No revaluation surplus/ deficit is recognized in books of accounts.
e) Book value;	Rs.2,853,595,118/-
f) Approximate current market price/fair value;	Rs.3,637,450,000/- as of June 30, 2026 as per valuation conducted by M/s. Hamid Mukhtar & Co. (Pvt.) Limited.
g) In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof;	The sale price would depend on the actual sale. The management believes that the sale price would be higher than the book value/fair value.
h) In case of lease of assets, tenure, lease rentals, increment rate; mode/basis of determination of lease rentals; and other important terms and conditions of the lease;	Not Applicable
i)	Additional information in case of disposal of land:
(i)	Location;
(ii)	Nature of land (e.g. commercial, agriculture, etc); and
(iii)	Area proposed to be sold.
(iv)	The proposed manner of disposal of the said assets.
	a) The land would be sold by obtaining quotations from prospective buyer(s) directly and through newspaper advertisement. b) That the land may be sold on payment terms in cash or partly in cash and partly in the shape of files of commercial and/or residential plots (In case the buyer intend to develop the land as a residential society) on terms & conditions as may be agreed with the buyer. c) That the land may also be sold to any prospective buyer(s) on joint venture basis for carrying out development and sale of land/plots etc. on terms and conditions as may be agreed between the parties. The terms and conditions shall be approved by the Board of Directors.

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v)	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts.	The Company shall exercise all reasonable diligence in identifying buyer(s) prepared to offer fair market value for the land and will endeavor to complete the transaction(s) in a manner that serves the best interests of the Company and its shareholders. Accordingly, there is no related party involved in the transaction that would necessitate disclosure under the statement of material facts.
vi)	Purpose of the sale, lease or disposal of assets along with following details: a) Utilization of the proceeds received from the transaction. b) Effect on operational capacity of the company, if any; and c) Quantitative and qualitative benefits expected to accrue to the members.	a) The proceeds will be utilized for the repayment or reduction of the Company's existing bank borrowings, thereby reducing finance costs and improving financial efficiency, or for funding new projects and business initiatives, capacity enhancement, expansion and BMR of the existing plant and machinery, and/or meeting other capital expenditure requirements or strategic investments of the Company etc. The sale proceeds may be fully in cash or partly in cash and partly in kind in the form of plot files, if prospective buyer would develop land/society on this land. b) The sale of land has no effect on the operational capacity of the company. c) Utilization of the proceeds for reduction of the Company's existing bank borrowings is expected to reduce finance cost, improve financial efficiency and strengthen profitability and cash flows. Alternatively, investment in new projects, business initiatives, capacity enhancement, expansion or BMR of the existing plant and machinery is expected to enhance operational efficiency, support future growth and profitability, and create long-term value for shareholders. d) In case of consideration received partly in the form of plot files, the same will be held till society/land is developed, which would be beneficial for the Company and the shareholders.

Therefore, in view of aforesaid, the shareholders are hereby requested to pass the following resolutions as Ordinary Resolutions:

"RESOLVED THAT the consent of shareholders of Sitara Chemical Industries Limited (the "Company") be and is hereby accorded to the disposal and sale of Company's Freehold Agriculture Land (investment property) located in the vicinity of Faisalabad, comprising of approximate 3306 Kanal, subject to requisite approval(s) for cash consideration and /or partly in cash and partly in the form of plot files and as per details given in statement of material facts."

"RESOLVED FURTHER THAT approval be and is hereby accorded for utilization of the proceeds from the disposal of Freehold Agricultural Land to pay loan and /or funding new project(s) and business initiatives, capacity enhancement, expansion and BMR of the existing plant and machinery, and/or meeting other capital

NOTICE OF ANNUAL GENERAL MEETING

expenditure requirements or strategic investments of the Company as may be approved and recommended by the Board of Directors of the Company.”

“RESOLVED FURTHER THAT as part and parcel of the foregoing consent, the Board of Directors be and is hereby authorized and empowered for sale of Company’s Freehold Agriculture Land on behalf of the Company.”

“RESOLVED FURTHER that the Board of Directors be and are hereby authorized to sell the agriculture land and may delegate all or any of its powers in this regard to the Chief Executive or any other Officer of the Company on such terms and conditions as deemed fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement sale of Freehold Agriculture Land (investment property) and the transaction contemplated by it, which shall include, but not be limited to:-

- a) conducting negotiations, obtaining quotations etc. with interested parties in such manner and on such terms and conditions as are in the best interests of the Company and its shareholders and which secure the best available market price for the sale of land;
- b) selling the assets to any individual, firm / partnership, bank or private / public limited company or organization or to any other person and, for that purpose, entering into an agreement to sell, sale deed or any other agreement with the buyer(s) or any other person, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and / or transfer documents in favor of the buyer(s) or another person to effect the asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;
- c) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting consideration amount in respect of the sale, and;
- d) generally performing and executing in respect of the sale of Freehold Agriculture Land (investment property) all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the land sale.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the sale of Freehold Agriculture Land.”

“FURTHER RESOLVED that the Chief Executive Officer of the Company and/or the Company Secretary be and are hereby severally authorized to sign and submit required statutory returns, announcements, e-filings with the Registrar of Companies, CRO, SECP, Pakistan Stock Exchange and or any other authorities / regulators and to do all such acts, deeds and things as may be necessary to do in this regard.”

AVAILABILITY OF RELEVANT DOCUMENTS

Copies of the documents pertaining to foregoing Special Business are available for inspection at the Registered / Head Office of the Company during normal office working hours from the date of publication of the Notice till the date of the AGM.

NATURE & EXTENT OF INTEREST OF DIRECTORS, DIRECTLY OR INDIRECTLY

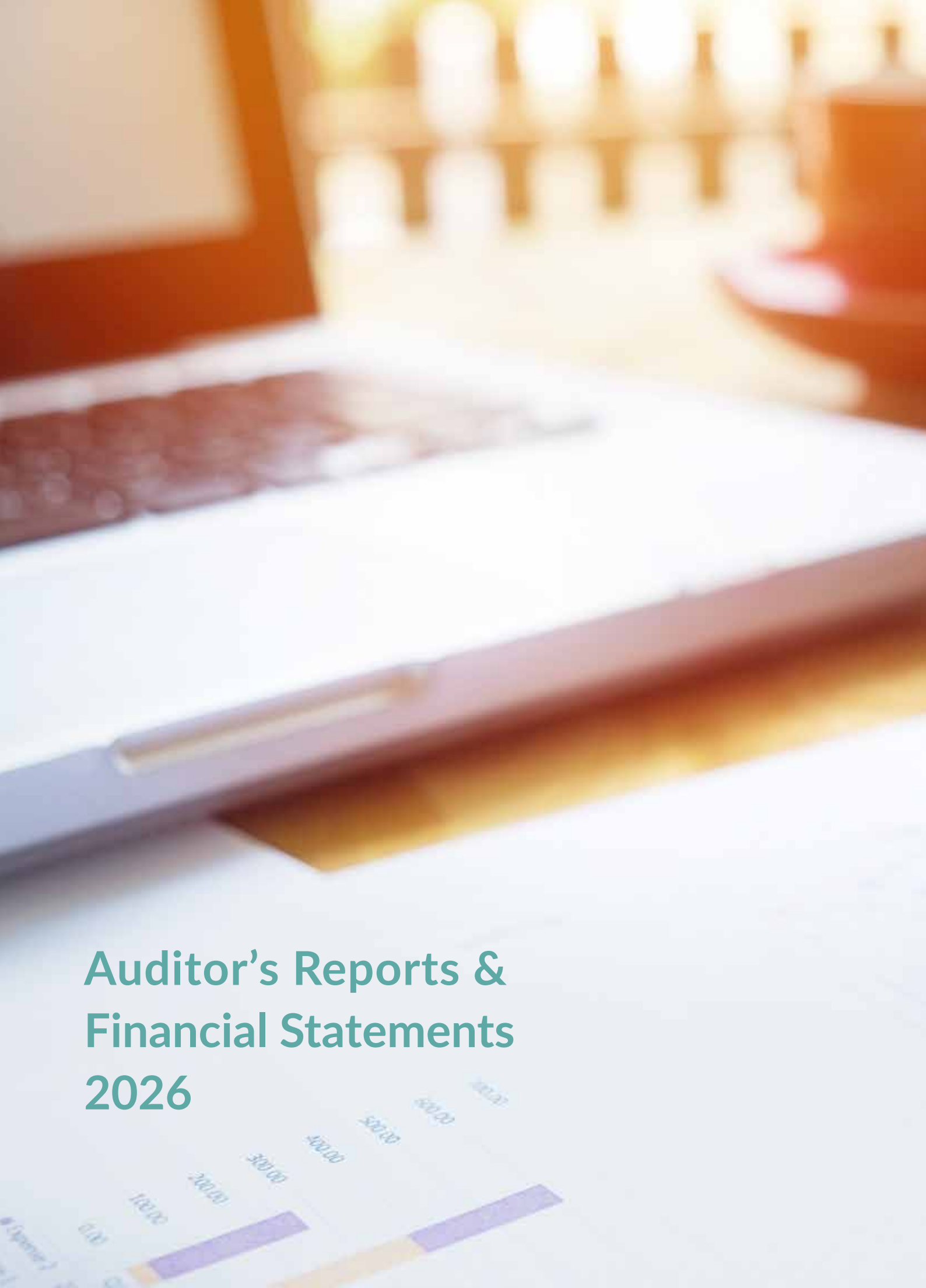
The Directors of the Company have no personal interests, directly or indirectly, in the resolutions except to the extent of their respective shareholding as mentioned in the pattern of shareholding attached to the Directors report for the year ended June 30, 2026.

UNDERTAKING BY THE DIRECTORS

The Board of Directors have carried out necessary due diligence for the proposed transactions.

EXPECTED TIME OF COMPLETION OF THE TRANSACTION

It is expected that transaction will be completed within one year from the date of passing of Special Business at the AGM.



Auditor's Reports & Financial Statements 2026

Category	Value
Revenue	10000
Expenses	8000
Profit	2000



■ Frames
■ Disc Brakes, Front
■ Disc Brakes, Rear
■ Caliper Brakes, Front
■ Caliper Brakes, Rear
■ Saddles
■ Forks
■ Brake Cables
■ Shift Cables
■ Rear Sprockets
■ Front Sprockets



INDEPENDENT AUDITOR'S REPORT

To the Members of Sitara Chemical Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Sitara Chemical Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Revenue Recognition	
The Company's sales comprise of revenue from the sale of chemicals and textile products as disclosed in note 28 to the financial statements. Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and at transaction price net of trade discounts (note 4.19). We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to address the Key Audit Matter included the following: - Obtained an understanding of controls over recognition of revenue from contracts with customers; - Assessed the appropriateness of the Company's accounting policies for revenue recognition at a point in time and compliance of those policies with the IFRS 15 Revenue from contracts with customers; - Checked on sample basis whether the recorded sales transactions are based on transfer of control of goods to the customer, satisfying the performance obligation at a point time.

2. Valuation of stock in trade	
Refer to note 12 to the financial statements and note 4.6 for the policy of stock in trade. Stock in trade forms a significant part of the Company's assets. As at June 30, 2026, the carrying amount of the Company's stock in trade amounts to Rs 5,250.264 million. We identified valuation of stock in trade as a key audit matter as it involves significant management judgement with respect to standard costs and determination of net realizable value.	In this respect, we performed the following audit procedures: • Obtained an understanding of procedures followed by the Company with respect to valuation of stock in trade; • Assessed appropriateness of the Company's accounting policies for valuation of stock in trade and compliance of those policies with the relevant applicable accounting and reporting standards in Pakistan; • On a sample basis, verified supporting documents for purchases of raw materials and the production costs as per accounting policy to ascertain valuation of stock in trade; • Obtained working of variances recorded by management, including changes made in the current year and tested the amounts, which were incurred and retained to actualize the standard cost of stock in trade at year end; • Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis to ascertain valuation of stock in trade; • Compared the NRV, on a sample basis, to the carrying value of stock in trade to ascertain the valuation of stock in trade and assess whether any adjustments were required to the carrying value of inventories in accordance with the policy; • Assessed the adequacy of disclosures related to valuation of stock in trade in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

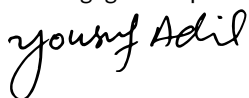
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Sufyan.



Chartered Accountants

Place: Lahore

Date: October 02, 2026

UDIN: AR2026101803DORBzhgj

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SITARA CHEMICAL INDUSTRIES LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies Code of Corporate Governance Regulations, 2019 (the Regulations) prepared by the Board of Directors of Sitara Chemical Industries Limited (the Company) for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Company's Board of Directors. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.



Chartered Accountants

Engagement Partner:
Muhammad Sufyan

Place: Lahore
Date: October 02, 2026
UDIN: CR202610180SAzDih6X1

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To the Board of Directors of Sitara Chemical Industries Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the Commission) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) for assessing compliance of the Sitara Chemical Industries Limited (the Company) financial arrangements, contracts and transactions having Shariah implications with the Shariah principles (criteria specified in paragraph 2 below) for the period from July 01, 2025 to June 30, 2026.

2. Applicable Criteria

The criteria for the assurance engagement as per the Regulations, against which the underlying subject matter (financial arrangements, contracts and transactions having Shariah implications for the period from July 01, 2025 to June 30, 2026) is assessed, comprise the following:

- (a) rules, regulations and directives issued by the Commission from time to time;
- (b) pronouncements of Shariah Advisory Board;
- (c) Shariah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, as adopted by the Commission, if any;
- (d) requirements of the applicable Islamic Financial Accounting Standards as notified by the Commission, if any; and
- (e) approvals and rulings given by the Shariah Advisor of the Company in line with the Regulations and in accordance with the rulings of Shariah Advisory Board.

The above criteria were evaluated for the implications on the financial statements of the Company for the year ended June 30, 2026.

3. Management's Responsibility for Shariah Compliance

The Company's management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Company and related policies and procedures are in compliance with Shariah principles (criteria specified in paragraph 2 above). The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities

in accordance with the Code. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

The firm applies System of Quality Management ("SOQM"), as required by The Institute of Chartered Accountants of Pakistan's ("ICAP") and in accordance with the International Standard on Quality Management ISQM 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" (ISQM 1) issued by the International Auditing and Assurance Standards Board (IAASB) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company's financial arrangements, contracts and transactions having Shariah implications with Shariah principles, in all material respects, for the period from July 01, 2025 to June 30, 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial information', issued by the International Auditing and Assurance Standards Board. That standard required that we plan and perform this engagement to obtain reasonable assurance about the compliance of the Company's financial arrangements, contracts and transactions having Shariah implications with Shariah principles (criteria specified in paragraph 2 above). In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Company's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance with Shariah principles (criteria specified in paragraph 2 above).

We believe that the evidence we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Company's financial arrangements, contracts and transactions having Shariah implications for the year ended period from July 01, 2025 to June 30, 2026 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.



Chartered Accountants

Engagement Partner:
Muhammad Sufyan

Place: Lahore
Date: October 02, 2026

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	5	32,374,689,802	29,901,979,692
Intangible assets	6	7,278,557	6,371,408
Investment property	7	3,418,982,099	3,418,251,172
Long term investments	8	20,038,687	20,038,687
Long term loans and advances	9	559,919,077	539,654,841
Long term deposits	10	125,334,279	125,334,279
		36,506,242,501	34,011,630,079
<i>Current assets</i>			
Stores, spare parts and loose tools	11	1,864,194,920	1,710,214,125
Stock in trade	12	5,250,264,326	4,190,277,216
Trade debts	13	2,715,971,293	2,919,787,832
Loans, advances and receivables	14	592,364,613	994,854,079
Trade deposits, prepayments and other receivables	15	38,201,786	60,867,513
Advance income tax		820,316,227	1,006,477,793
Income tax refundable		1,912,604,986	1,543,614,808
Other financial assets	16	1,265,881,589	773,940,332
Cash and bank balances	17	221,754,127	334,865,371
		14,681,553,867	13,534,899,069
<i>Total assets</i>		<u>51,187,796,368</u>	<u>47,546,529,148</u>

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
<i>Share capital and reserves</i>			
Share capital	18	214,294,070	214,294,070
Reserves	19	1,857,049,414	1,568,514,450
Unappropriated profit		14,823,132,454	13,404,338,197
Surplus on revaluation of property, plant and equipment	20	3,556,459,234	3,678,569,739
<i>Total equity</i>		20,450,935,172	18,865,716,456
LIABILITIES			
<i>Non-current liabilities</i>			
Long term financing	21	6,454,023,460	8,021,930,747
Deferred taxation	22	4,178,406,164	3,770,611,487
Deferred liabilities	23	128,566,668	176,292,219
		10,760,996,292	11,968,834,453
<i>Current liabilities</i>			
Trade and other payables	24	5,712,701,271	4,502,400,730
Profit / financial charges payable	25	877,540,776	1,194,155,240
Short term borrowings	26	10,523,099,411	9,340,377,001
Provision for taxation		614,392,559	839,711,715
Unclaimed dividend		31,555,913	29,912,322
Current portion of long term financing	21	2,216,574,974	805,421,231
		19,975,864,904	16,711,978,239
<i>Total equity and liabilities</i>		51,187,796,368	47,546,529,148
<i>Contingencies and commitments</i>	27		

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Revenue from contracts with customers - net	28	32,552,862,080	32,530,215,524
Cost of sales	29	(26,397,152,645)	(26,911,254,339)
Gross profit		6,155,709,435	5,618,961,185
Distribution cost	30	(755,471,264)	(520,923,571)
Administrative expenses	31	(1,352,646,036)	(1,259,270,477)
Impairment loss on financial assets	13.2	(172,746,239)	(170,681,422)
Other expenses	32	(211,386,982)	(193,769,295)
Finance cost	33	(1,541,587,253)	(1,903,629,448)
		(4,033,837,774)	(4,048,274,213)
		2,121,871,661	1,570,686,972
Other income	34	250,976,272	290,619,451
Profit before income tax and final tax		2,372,847,933	1,861,306,423
Levy	35	(406,910,776)	-
Final tax		-	(1,758,000)
Profit before tax		1,965,937,157	1,859,548,423
Provision for taxation	36	(515,662,161)	(920,273,870)
Profit for the year		1,450,274,996	939,274,553
Earnings per share - basic and diluted	37	67.68	43.83

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Profit for the year		1,450,274,996	939,274,553
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Loss on re-measurement of post retirement benefits obligation	23.2	(141,367)	(6,311,143)
Related tax impact		(74,117)	2,461,346
Gain on sale of investments measured at FVTOCI		15,049,601	1,597,640
Related tax impact		-	(399,410)
Gain on re-measurement of equity instruments as FVTOCI		235,602,777	86,814,159
Related tax impact		38,098,070	(7,513,388)
Impact of change in tax rate on revaluation surplus		82,132,222	-
Total items that will not be reclassified to profit or loss		370,667,186	76,649,204
Total comprehensive income for the year		1,820,942,182	1,015,923,757

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Capital reserves					Revenue reserves		
	Share capital	Share premium	Reserve on re-measurement of equity instruments as at FVTOCI	Remeasurement on post retirement benefits obligation - net of tax	Surplus on revaluation of property, plant and equipment	General reserve	Unappropriated profit	Total
	Rupees							
Balance as at July 01, 2024	214,294,070	97,490,410	177,828,853	(8,454,017)	3,893,550,016	1,225,000,000	12,464,377,427	18,064,086,759
Profit for the year	-	-	-	-	-	-	939,274,553	939,274,553
Other comprehensive income	-	-	80,499,001	(3,849,797)	-	-	-	76,649,204
Total comprehensive income	-	-	80,499,001	(3,849,797)	-	-	939,274,553	1,015,923,757
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	-	-	(214,980,277)	-	214,980,277	-
Transactions with owners								
Final dividend for the year ended June 30, 2024 @ Rs. 10 per share	-	-	-	-	-	-	(214,294,060)	(214,294,060)
Balance as at June 30, 2025	214,294,070	97,490,410	258,327,854	(12,303,814)	3,678,569,739	1,225,000,000	13,404,338,197	18,865,716,456
Profit for the year	-	-	-	-	-	-	1,450,274,996	1,450,274,996
Other comprehensive income	-	-	288,750,448	(215,484)	82,132,222	-	-	370,667,186
Total comprehensive income	-	-	288,750,448	(215,484)	82,132,222	-	1,450,274,996	1,820,942,182
Transfer to unappropriated profit on account of incremental depreciation - net of tax	-	-	-	-	(204,242,727)	-	204,242,727	-
Transactions with owners								
Final dividend for the year ended June 30, 2025 @ Rs. 11 per share	-	-	-	-	-	-	(235,723,466)	(235,723,466)
Balance as at June 30, 2026	214,294,070	97,490,410	547,078,302	(12,519,298)	3,556,459,234	1,225,000,000	14,823,132,454	20,450,935,172

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

A. CASH FLOWS FROM OPERATING ACTIVITIES	Note	2026 Rupees	2025 Rupees
Profit before income tax and final tax		2,372,847,933	1,861,306,423
Adjustments for:			
Depreciation on property, plant and equipment		1,666,845,151	1,520,653,377
Depreciation on investment property		7,631,073	8,876,285
Amortization on intangible assets		792,987	692,556
Finance cost		1,541,587,253	1,903,629,448
Amortization of deferred grant		(42,598,722)	(76,150,124)
Remeasurement gain on short term investments measured at FVTPL		(2,090,119)	-
Loss on disposal of property, plant and equipment		32,774,995	27,450,230
Gain on sale of investments measured at FVTPL		(19,517,502)	(12,289,347)
Exchange loss/(gain)		10,530	(60,492)
Provision for employees benefits		14,958,120	35,101,293
Impairment loss on financial assets		172,746,239	170,681,422
Unwinding of deferred consideration		-	(17,666,930)
Profit on bank deposits		(26,437,087)	(35,937,426)
Dividend income		(35,926,918)	(70,684,039)
Operating cash flows before changes in working capital		5,683,623,933	5,315,602,676
Working capital changes	44	456,091,776	950,089,223
Cash generated from operations		6,139,715,709	6,265,691,899
Finance cost paid		(2,618,383,731)	(2,374,970,445)
Employee benefits paid		(20,226,316)	(29,115,963)
Taxes paid - net		(814,071,103)	(705,351,312)
		(3,452,681,150)	(3,109,437,720)
Net cash generated from operating activities		2,687,034,559	3,156,254,179



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

B. CASH FLOWS FROM INVESTING ACTIVITIES	Note	2026 Rupees	2025 Rupees
Additions to property, plant and equipment including capital work in progress		(3,379,314,752)	(7,763,004,577)
Proceeds from disposal of property, plant and equipment		9,765,233	61,200,878
Purchase of investment property		(8,362,000)	-
Purchase of other financial assets		(1,479,390,647)	(1,288,550,926)
Proceeds from disposal of other financial assets		1,267,598,773	1,522,609,318
Purchase of intangible assets		(1,700,136)	(276,809)
Realization of long term loans and advances - net		(23,808,413)	39,007,803
Long term deposits paid		-	(200,100)
Dividend received		17,909,377	27,845,002
Profit received on bank deposits		26,437,087	35,937,426
Net cash used in investing activities		(3,570,865,478)	(7,365,431,985)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,110,215,947	5,823,869,904
Repayment of long term financing		(1,309,568,213)	(787,510,595)
Proceeds from short term borrowings		25,361,444,802	24,468,725,739
Repayment of short term borrowings		(24,178,722,392)	(25,109,000,127)
Dividend paid		(212,650,469)	(212,517,509)
Net cash generated from financing activities		770,719,675	4,183,567,412
Net decrease in cash and cash equivalents (A+B+C)		(113,111,244)	(25,610,394)
Cash and cash equivalents at beginning of the year		334,865,371	360,475,765
Cash and cash equivalents at end of the year	17	221,754,127	334,865,371

The annexed notes from 1 to 51 form an integral part of these financial statements.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. GENERAL INFORMATION

- 1.1 Sitara Chemical Industries Limited ("the Company") was incorporated in Pakistan on September 08, 1981 as a public limited Company under Companies Act, 1913 (now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. The Company is a Shariah Compliant Company certified by Securities & Exchange Commission of Pakistan (SECP) under Shariah Governance Regulation 2018. The principal activities of the Company are operation of Chlor Alkali plant and yarn spinning unit. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hasan Road, Karachi, in the province of Sindh and the manufacturing facilities are located at 28/32 K.M., Faisalabad - Sheikhpura Road, Faisalabad, in the province of Punjab.

The Company is currently organized into two operating divisions and these divisions are the basis on which the Company reports its primary segment information.

Principal business activities are as follows:

Chemical Division Manufacturing of caustic soda and allied products

Textile Division Manufacturing of yarn and trading of fabric

- 1.2 These financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 *Statement of compliance*

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2.2 *Accounting convention*

These financial statements have been prepared under the “historical cost convention”, modified by:

- revaluation of certain property, plant and equipment;
- financial instruments at fair value;
- recognition of certain employee retirement benefits at present value.

2.3 *New amendments that are effective for the year ended June 30, 2026*

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures.

2.3.1 *Standards or Interpretations with no significant impact*

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures except those mention in note 2.3.3

Standards or Interpretations

*Effective from annual
period beginning on or after:*

Lack of Exchangeability (Amendments to IAS 21)

January 1, 2025

2.3.2 *New accounting standards / amendments and IFRS interpretations that are not yet effective*

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than certain additional disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Standards or Interpretations

Effective from annual period beginning on or after:

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

2.3.3 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 – Regulatory Assets and Regulatory Liabilities

3. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS's requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates, associate assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant areas requiring the use of management estimates in these financial statements relate to the useful life of property, plant and equipment and intangibles, revaluation of land, building and plant and machinery, provision for expected credit losses, provision for taxation, slow moving inventory, measurement of defined benefit obligations and assumptions used in discounted cash flow projections for deferred sale receivable. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

4.1 *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for free hold land, building on freehold land (factory), plant & machinery and capital work in progress. Building on freehold land (factory) and plant and machinery are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount. Capital work-in-progress is stated at cost less impairment in value, if any. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Store items that are of capital nature are classified in capital stores under property, plant and equipment.

Assets' residual values, if significant, and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

When significant parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment. Repair and maintenance costs are charged to income during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 5 to these financial statements. Depreciation on additions and disposals during the year is charged on the basis of proportionate period of use.

Surplus arising on revaluation of property, plant and equipment is recognized, net of tax, in statement of comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is eliminated against the cost of the asset and net amount is restated to the revalued amount of the asset. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is transferred by the Company to its unappropriated profit and is presented in statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Gains or losses on disposal of assets, if any, are recognized as and when incurred in statement of profit or loss and the related asset is derecognized.

Capital work-in-progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

4.2 *Intangible Assets*

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. Computer software) includes purchase price and directly attributable expenses incidental to bring the asset for its intended use. Cost associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over estimated useful life of the asset on a systematic basis applying the reducing balance method. Useful life of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is material.

4.3 *Investment property*

Investment property, which is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on buildings is charged to statement of profit or loss on reducing balance method at the rate of 10% per annum. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed off. Any gain or loss on disposal of investment property, calculated as difference between present value of the proceeds from disposal and the carrying amount is recognized in statement of profit or loss.

4.4 *Investments*

Regular way purchase or sale of investments

All purchases and sales of investments are recognized using trade date accounting. Trade date is the date that the Company commits to purchase or sell the investment.

Investments designated as at fair value through other comprehensive income (FVTOCI)

On initial recognition, the company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in statement of comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to statement of profit or loss but may be transferred from one component of equity to another on the disposal of equity investments in accordance with the guidance of IFRS 9.

Dividends on these investments in equity instruments are recognized in statement of profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Investments measured at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Investments measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in statement of profit or loss.

De-recognition

All investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.5 *Stores, spare parts and loose tools*

Stores and spares are valued principally at weighted average cost. Impairment provision is recognized against items determined to be obsolete and / or not expected to be used up future. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4.6 *Stock-in-trade*

These are valued at lower of cost and net realizable value. Cost is determined as follows: -

Raw and packing materials Average cost except for those in transit which are stated at invoice price plus other charges paid thereon up to the reporting date.

Work-in-process Average manufacturing cost

Finished goods Average manufacturing cost

Waste Net realizable value

Net realizable value represents estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

4.7 *Trade debts, other receivables and loans and advances*

Trade debts, other receivables and loans and advances are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective interest method. Trade debts and other receivables are subsequently assessed for impairment and recognized at fair value less allowance for expected credit loss.

4.8 *Cash and cash equivalents*

Cash and cash equivalents are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks and highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

4.9 *Impairment*

Non Financial Assets (other than stock in trade and stores, spares and loose tools)

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in statement of profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Financial Assets

The Company recognizes a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4.10 *Borrowings*

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of liability for at least 12 months after the statement of financial position date.

4.11 *Employee retirement benefits*

Defined contribution plan - Chemical division

The Company operates an approved funded contributory provident fund scheme for all its employees eligible for benefit. Equal monthly contributions are made by the Company and employees at the rate from 6.5% to 8.33% of basic salary depending upon the length of service of an employee. The Company's contribution to the fund is charged to statement of profit or loss account for the year.

Defined benefit plan - Textile division

The Company operates an unfunded gratuity scheme for all those permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provision is made to cover the obligation under scheme on the basis of actuarial valuation and is charged to statement of profit or loss and statement of comprehensive income. The most recent Actuarial Valuation was carried out at June 30, 2026 using "Projected Unit Credit

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Method". The amount recognized in the statement of financial position represents the present value of defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

4.12 *Deferred grant*

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognized in statement of profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the statement of financial position and transferred to statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in statement of profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

4.13 *Trade and other payables*

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in future for goods and services received whether billed to the Company or not.

4.14 *Provisions*

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.15 *Levy*

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Revenue taxes

Revenue taxes includes amount representing :

a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over revenue taxes shall be treated as current income tax expense falling under the scope of IAS 12.

Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.16 *Taxation*

Current

The company has adopted 'Approach B' to incorporate and account for income taxes as per The Institute of Chartered Accountants of Pakistan (ICAP) guide 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the Guide). The Company first designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 "Levies"/IAS 37" Provisions, Contingent Liabilities and Contingent Assets". The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The charge for tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessment made during the year. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred income tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is considered in accordance with the requirements of applicable guidance on IAS 12 by the Institute of Chartered Accountants of Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Deferred tax liabilities are generally recognized for taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences, unused tax credits and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

4.17 *Dividend and other appropriations*

Dividend is recognized as a liability in the year in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the year in which such appropriations are made.

4.18 *Financial instruments*

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

Other particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

4.19 *Revenue recognition*

Revenue is measured based on consideration to which company expects to be entitled in a contract with customer and excludes amounts collected on behalf of third parties.

- Sales of goods are recognized when control of goods has been transferred to customers and performance obligation is satisfied.
- Export rebate is recognized on accrual basis at the time of making the export sale.
- Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
- Dividend income from investments is recognized when the Company's right to receive payment has been established.

4.20 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

4.21 *Foreign currencies*

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used. Gains and losses arising on retranslation and settlement are included in statement of profit or loss for the period.

4.22 *Segment Reporting*

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

4.23 *Off setting of financial assets and financial liabilities*

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the transaction and also intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.24 *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2026 Rupees	2025 Rupees
Operating assets	5.1	31,156,398,774	19,178,514,550
Capital work-in-progress	5.3	1,088,528,487	10,534,361,496
Capital stores		129,762,541	189,103,646
		<u>32,374,689,802</u>	<u>29,901,979,692</u>

5.1 Operating assets - as at June 30, 2026

Description	Cost / revalued amount			Accumulated depreciation			Book value as at June 30, 2026	Dep. Rate (%)
	At July 01, 2025	Additions / (disposals) / (write off)	At June 30, 2026	At July 01, 2025	Charge for the year / (on disposals)	At June 30, 2026		
Rupees								
Freehold land	1,525,068,000	35,986,581 (64,645)	1,560,989,936	-	-	-	1,560,989,936	-
Building on freehold land: Mill	2,295,115,111	1,234,209,816 (1,204,879)	3,528,120,048	226,209,416	228,974,026 (285,167)	454,898,275	3,073,221,773	10
Head office	12,238,041	-	12,238,041	11,482,287	70,089	11,552,376	685,665	10
Plant and machinery	14,983,443,057	11,532,803,411 (74,223,077)	26,442,023,391	956,152,881	1,242,285,674 (35,395,530)	2,163,043,025	24,278,980,366	7.5
Grid station and electric installation	271,055,703	188,983,578	460,039,281	205,659,326	12,237,939	217,897,265	242,142,016	10
Containers and cylinders	93,334,087	- (1,736,876)	91,597,211	58,525,028	3,347,066 (1,488,526)	60,383,568	31,213,643	10
Factory equipment	313,311,391	59,379,630 (2,306,972)	370,384,049	148,578,407	18,824,359 (966,289)	166,436,477	203,947,572	10
Electric equipment	1,918,622,944	584,558,429 (495,088)	2,502,686,285	885,286,714	112,910,169 (252,619)	997,944,264	1,504,742,021	10
Office equipment	109,468,424	8,113,615 (578,708)	117,003,331	56,420,068	5,757,307 (340,368)	61,837,007	55,166,324	10
Furniture and fittings	91,684,494	1,953,750 (24,780)	93,613,464	42,027,203	4,909,940 (2,436)	46,934,707	46,678,757	10
Vehicles	382,618,070	41,280,792 (3,619,539)	420,279,323	227,103,442	37,528,582 (2,983,402)	261,648,622	158,630,701	20
	21,995,959,322	13,687,269,602 (84,254,564)	35,598,974,360	2,817,444,772	1,666,845,151 (41,714,337)	4,442,575,586	31,156,398,774	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Operating assets - as at June 30, 2025

Description	Cost / revalued amount		Accumulated depreciation			Book value as at June 30, 2025	Dep. Rate (%)
	At July 01, 2024	Additions / (disposals) / (write off)	At June 30, 2025	At July 01, 2024	Charge for the year / (on disposals)	At June 30, 2025	
Freehold land	1,525,068,000	-	1,525,068,000	-	-	1,525,068,000	-
Building on freehold land: Mill	2,275,401,000	21,601,333 (1,887,222)	2,295,115,111	-	227,970,377 (1,760,961)	226,209,416	10
Head office	12,238,041	-	12,238,041	11,404,411	77,876	11,482,287	10
Plant and machinery	14,307,196,976	907,190,633 (230,944,552)	14,983,443,057	-	1,104,835,006 (148,682,125)	14,027,290,176	7.5
Grid station and electric installation	271,760,703	(705,000)	271,055,703	199,147,304	7,135,426 (623,404)	205,659,326	10
Containers and cylinders	93,980,675	- (646,588)	93,334,087	55,294,409	3,829,361 (598,742)	58,525,028	10
Factory equipment	295,125,508	20,615,583 (2,429,700)	313,311,391	132,842,614	17,289,618 (1,553,825)	148,578,407	10
Electric equipment	1,882,248,460	39,000,400 (2,625,916)	1,918,622,944	773,972,128	112,671,506 (1,356,920)	885,286,714	10
Office equipment	103,389,460	8,220,158 (2,141,194)	109,468,424	52,528,009	5,434,251 (1,542,192)	56,420,068	10
Furniture and fittings	85,685,743	6,337,651 (338,900)	91,684,494	37,111,944	5,159,230 (243,971)	42,027,203	10
Vehicles	365,539,756	24,627,018 (7,548,704)	382,618,070	195,107,244	36,250,726 (4,254,528)	227,103,442	20
	21,217,634,322	1,027,592,776 (249,267,776)	21,995,959,322	14,57,408,063	1,520,653,377 (160,616,668)	2,817,444,772	19,178,514,550

5.1.1 Depreciation for the year has been allocated as under:

	2026	2025
	Rupees	Rupees
Cost of sales	1,582,125,233	1,439,810,480
Administrative expenses	84,719,918	80,842,897
	<u>1,666,845,151</u>	<u>1,520,653,377</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5.2 Disposal of property, plant and equipment of book value exceeding Rs. 500,000

2026

Particulars of assets	Sold to	Cost / Revalued amount	Accumulated depreciation	Book value	Sales proceeds	Gain / (loss)	Relationship with the purchaser	Mode of disposal
Rupees								
Electrolyzer R-230C – Membrane Replacement (Module III)	Plaxys Inc Korea	1,518,509	(748,490)	770,019	768,723	(1,296)	Third party	Negotiation
Honda Civic – Registration No. ALA-763		2,834,120	(2,307,148)	526,972	5,000,000	4,473,028	Third party	Negotiation
Rieter Drawing Frame – Textile Spinning Machinery	Hadi Enterprises Abdullah Waleed Textile Mills	6,796,581	(3,996,977)	2,799,604	800,000	(1,999,604)	Third party	Negotiation
Rieter Drawing Frame – Textile Spinning Machinery	Abdullah Waleed Textile Mills	6,796,581	(3,996,977)	2,799,604	800,000	(1,999,604)	Third party	Negotiation
		17,945,791	(11,049,592)	6,896,199	7,368,723	472,524		

2025

Particulars of assets	Sold to	Cost / Revalued amount	Accumulated depreciation	Book value	Sales proceeds	Gain / (loss)	Relationship with the purchaser	Mode of disposal
Rupees								
Compressor D - 75 for Area-I R 1 Screw Air Compressor (10Bar)	Talha Hassan	5,704,578	(2,039,717)	3,664,861	491,803	(3,173,058)	Third party	Negotiation
400/Hr D-50(R)	Talha Hassan	7,260,708	(3,564,061)	3,696,647	409,836	(3,286,811)	Third party	Negotiation
Caustic Solidification Plant-11								
98Faa062 1 Salt Heater Dispose	Talha Hassan	8,055,000	(7,386,326)	668,674	867,486	198,812	Third party	Negotiation
Flakes Unit-III (07Faa122 Salt Heater Dispose 1)	Talha Hassan	8,055,000	(6,232,589)	1,822,411	867,486	(954,925)	Third party	Negotiation
Auto Cone Machine Schallafhorst Rm-338	Abdul Hameed Trading Co	42,309,392	(28,683,153)	13,626,239	14,500,000	873,761	Third party	Negotiation
Kia Sportage All Wheel Drive Axn-077	Umer Wirk	6,066,401	(3,046,351)	3,020,050	3,200,000	179,950	Third party	Negotiation
		77,451,079	(50,952,197)	26,498,882	20,336,611	(6,162,271)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5.3 Capital work-in-progress

2026

Description	At July 01, 2025	Additions	Transfers	At June 30, 2026
Rupees				
Civil	1,316,452,152	82,148,501	(1,344,206,781)	54,393,872
Mechanical	9,217,909,344	3,365,449,410	(11,549,224,139)	1,034,134,615
	10,534,361,496	3,447,597,911	(12,893,430,920)	1,088,528,487

2025

Description	At July 01, 2024	Additions	Transfers	At June 30, 2025
Rupees				
Civil	631,988,963	718,519,087	(34,055,898)	1,316,452,152
Mechanical	2,493,964,291	7,038,077,019	(314,131,966)	9,217,909,344
	3,125,953,254	7,756,596,106	(348,187,864)	10,534,361,496

- 5.3.1** The amount of borrowing costs capitalized during the year ended June 30, 2026 was Rs. 802.7 million (2025: Rs. 775.5 million). The rate used to determine the amount of borrowing costs eligible for capitalization was 3 months KIBOR + 1% (2025: 3 months KIBOR + 1%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5.4 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Unit	Total Area	
		2026	2025
Manufacturing unit, Chemical Division, 32 KM			
Sheikhpura-Faisalabad Road, Faisalabad	Acre	261.67	261.67
Manufacturing unit, Textile Division, 32 KM			
Sheikhpura-Faisalabad Road, Faisalabad	Acre	29.94	29.94
Site Office - Sitara Tower, Faisalabad	Kanal	1.69	1.69
Site Office - Blue Area, Islamabad	Kanal	0.25	0.25
Site Office - Vehari Road, Multan	Kanal	1.00	1.00
Site Office - Siddique Trade Center, Lahore	Kanal	0.22	0.22
Registered Office - Business Center, Mumtaz			
Hassan Road, Karachi	Kanal	0.30	0.30

5.5 The Company revalued its freehold land, building and plant & machinery at June 30, 2024. The revaluation was carried out by Hamid Mukhtar & Company (Private) Limited, an independent valuer not connected to the Company and was on the panel of approved valuers of Pakistan Banks Association. It was also on the panel of State Bank of Pakistan and possessed appropriate qualification and recent experience in the fair value measurements in the relevant locations. The basis used for the revaluation of freehold land, buildings and machinery were as follows:

Land

Fair market rate of the land was assessed through inquiries in the vicinity of land and information obtained through property dealers of the area.

Buildings

New construction value (new replacement value of each item of the buildings) was arrived at by looking at the condition of the buildings. Valuer applied 3% per annum depreciation on "Written Down Value" basis to arrive at fair depreciated market value on "Going Concern" basis.

Machinery (Textile)

Inquiries were made from market to obtain prevalent fair market values of similar local and imported machinery items.

Machinery (Chemical)

For the purpose of valuation, the original cost was divided into two parts i.e. 70% of the value is basic foreign amount of the plant & machinery and 30 % was local component of plant and machinery.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Foreign Values:

The impact of inflation, exchange rate fluctuation and functional obsolescence for the imported content i.e., 70% of the total Reinstatement Value of each asset was considered during valuation. Regarding inflation, an inflation factor at the rate of 55% was developed by using inflation figures from the World Bank published data for the following countries: Japan, Italy and China. For exchange rate, average exchange rate derived from USD(\$) and Euro(€) against Pakistani Rupee (PKR). A composite factor of inflation and currency devaluation was evaluated which was multiplied by the APC of each asset item in order to evaluate the New Replacement Value of machinery equipment and Utilities. Functional obsolescence at the rate of 1% per annum was applied on NRV to arrive at Reinstatement Value (RIV) from the year 2024.

Local components:

The impact of inflation and functional obsolescence for the local content i.e., 30% of the total Reinstatement Value of each asset was considered during valuation. Regarding inflation, an inflation factor at the rate of 30% was applied to the local cost of each item. Functional obsolescence at the rate of 1% per annum was applied on NRV to arrive at RIV from the year 2024.

Thus, after summing the foreign and local amounts, the valuer arrived to New Replacement Value of Plant & machinery.

Depreciation due to usage was applied on all assets of machinery at 7.5% to 10% per annum on written down value basis to arrive at a fair present / depreciated market value of the assets.

- 5.6 Forced Sales Value (FSV) of land, buildings and machinery was Rs. 1,143.80 million, Rs. 1,706.55 million and Rs. 10,730.40 million respectively as at June 30, 2024.
- 5.7 The fair valuation of revalued assets has been determined using level 2 inputs of fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 5.8. Had there been no revaluation the cost, accumulated depreciation and book value of revalued assets as at June 30, 2026 would have been as follows:

	Cost	Accumulated depreciation Rupees	Book Value
Land	387,452,973	-	387,452,973
Buildings on free hold land	4,090,865,886	1,605,567,828	2,485,298,058
Plant and machinery	28,830,431,514	7,745,943,734	21,084,487,780
2026	33,308,750,373	9,351,511,562	23,957,238,811
Land	351,531,037	-	351,531,037
Buildings on free hold land	2,857,860,949	1,437,609,992	1,420,250,957
Plant and machinery	17,371,851,180	6,802,517,368	10,569,333,812
2025	20,581,243,166	8,240,127,360	12,341,115,806

	Note	2026 Rupees	2025 Rupees
6. INTANGIBLE ASSETS			
Cost			
Cost at the beginning of the year		21,993,491	21,716,682
Addition		1,700,136	276,809
Cost at the end of the year		23,693,627	21,993,491
Accumulated amortization			
Balance at the beginning of the year		(15,622,083)	(14,929,527)
Amortization during the year	29	(792,987)	(692,556)
Balance at the end of the year		(16,415,070)	(15,622,083)
	6.1	7,278,557	6,371,408

- 6.1 Computer software is being amortized at 10% using reducing balance method.

7. INVESTMENT PROPERTY

Land	7.1	3,349,149,896	3,340,787,896
Buildings	7.2	69,832,203	77,463,276
	7.3	3,418,982,099	3,418,251,172
7.1 Land			
Balance at the beginning of the year		3,340,787,896	3,340,787,896
Addition / adjustment during the year		8,362,000	-
Balance at the end of the year		3,349,149,896	3,340,787,896

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
7.2	Buildings		
Cost			
Balance at end of the year		151,878,635	151,878,635
Accumulated depreciation			
At the beginning of the year		74,415,359	65,539,074
Charge for the year	31	7,631,073	8,876,285
At the end of the year		82,046,432	74,415,359
Written down value at year end		69,832,203	77,463,276
7.3	The Company has invested in freehold agricultures land, plots and buildings covering an area of 3,363 kanal and 6 marlas (2025: 3,359 kanal and 6 marlas) for the purpose of capital appreciation and earning rental income. These investment properties are situated in the districts of Faisalabad (3,349 kanal and 6.30 marlas), Lahore (13 kanal) and Rawalpindi (14 marlas)		
7.4	The rental income earned by the Company from its investment property amounted to Rs. 65.39 million (2025: Rs. 53.27 million).		
	The Company has carried out the valuation of investment property as at June 30, 2026. Fair value of the investment property is of Rs. 4,732 million (2025: Rs 4,581 million).		
8.	LONG TERM INVESTMENTS		
	Note	2026 Rupees	2025 Rupees
Salaam Takaful Pakistan Limited - 2,999,500 shares (2025: 2,999,500 shares)	8.1	20,038,687	20,038,687
8.1	This represents investment in Salaam Takaful Pakistan Limited. The Company elected to designate the investments in equity instruments at FVTPL.		
9.	LONG TERM LOANS AND ADVANCES		
	Note	2026 Rupees	2025 Rupees
-Loans and advances to staff	9.1	6,965,144	2,734,878
-Advances to suppliers and contractors		538,683,619	505,446,304
-Letters of credit, fee and margin		14,270,314	31,473,659
		559,919,077	539,654,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

9.1	Loans and advances	Note	2026 Rupees	2025 Rupees
	<i>Considered good</i>			
	<i>Secured</i>			
	Staff	9.1.1	10,133,003	3,928,784
	<i>Unsecured</i>			
	Staff		6,007,943	4,437,719
		9.1.2	16,140,946	8,366,503
	Current portion shown in current assets	14	(9,175,802)	(5,631,625)
			6,965,144	2,734,878

9.1.1 This includes loan to key management personnel amounting to Rs. 2.5 million.

9.1.2 This represents the maximum aggregate amount due at the end of any month during the year.

10.	LONG TERM DEPOSITS	Note	2026 Rupees	2025 Rupees
	Security deposits for:			
	- Electricity		39,744,270	39,744,270
	- Gas		84,476,255	84,476,255
	- Water and sanitation		155,354	155,354
	- Others		958,400	958,400
			125,334,279	125,334,279
11.	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores		1,770,487,607	1,610,153,328
	Spare parts		85,459,851	92,658,991
	Loose tools		8,247,462	7,401,806
			1,864,194,920	1,710,214,125
12.	STOCK IN TRADE			
	Raw material and coal			
	- In hand		1,892,491,699	2,360,291,404
	- In transit		30,635,993	-
			1,923,127,692	2,360,291,404
	Packing material		95,929,087	54,999,318
	Work in process		64,896,479	54,650,717
	Finished goods			
	- In hand		3,162,685,006	1,709,775,360
	- In transit		-	7,098,007
			3,162,685,006	1,716,873,367
	Waste		3,626,062	3,462,410
			5,250,264,326	4,190,277,216
13.	TRADE DEBTS			
	Local - unsecured	13.1	3,425,378,095	3,456,448,395
	Allowance for expected credit losses	13.2	(709,406,802)	(536,660,563)
			2,715,971,293	2,919,787,832

13.1 Trade receivables are non-interest bearing and relate to different products being sold on credit to customers. The credit period allowed on these products is generally from five days term for dealers to thirty days term for institutional customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

			2026 Rupees	2025 Rupees
13.2	<i>Movement in allowance for expected credit losses</i>	Note		
	At beginning of the year		536,660,563	365,979,141
	Charge for the year		172,746,239	170,681,422
	At end of the year	39.1.3	709,406,802	536,660,563
14.	LOANS, ADVANCES AND RECEIVABLES			
	Current portion of long term loans and advances- staff	9.1	9,175,802	5,631,625
	Sales tax adjustable		6,558,678	177,110,508
	Paid to PRA under protest	27.1	125,584,669	125,584,669
	Advances			
	- For office expenses		6,621,317	6,318,766
	- Letters of credit fee, margin and expenses		105,825,463	273,960,933
	- Suppliers and contractors	14.1	338,598,684	406,247,578
			576,630,133	812,111,946
			592,364,613	994,854,079
14.1	This includes a balance due from Sitara Developers (Private) Limited, a related party, amounting to Rs. 14.84 million. (2025: Rs. 3.17 million).			
15.	TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
			2026 Rupees	2025 Rupees
	Trade deposits		16,201,406	15,096,342
	Prepayments		7,317,681	5,021,543
	Others receivables		14,682,699	40,749,628
			38,201,786	60,867,513

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

16.	OTHER FINANCIAL ASSETS	Note	2026 Rupees	2025 Rupees
	<i>Investments measured at fair value through profit or loss (FVTPL)</i>			
	Mutual funds	16.1	697,962,983	409,155,048
	Ordinary shares of listed companies	16.2	8,070,546	5,120,808
	<i>Investments designated as at fair value through other comprehensive income (FVTOCI)</i>			
	Ordinary shares of listed companies	16.6	559,848,060	359,664,476
			<u>1,265,881,589</u>	<u>773,940,332</u>

16.1 Mutual funds

Units having face value of Rs. 50 each.

2026 No. of units	2025		2026 Rupees	2025 Rupees
12,635,079	-	Meezan Islamic Asaan Cash Fund	632,858,260	-
2,635,056	-	NBP Islamic Money Market Fund	26,869,403	-
637,801	999,909	Meezan Rozana Amdani Fund	31,890,042	49,995,456
-	8,031	Meezan Daily Income Fund	-	401,570
123,128	3,719,311	Meezan Daily income Fund - Meezan Munafa Plan I	6,223,677	187,371,032
-	5,997	Meezan Sovereign Fund	-	313,491
511	3,325,099	Meezan Cash Fund	26,395	171,001,839
557	555	Meezan Islamic Fund	95,097	71,556
2	2	Meezan Islamic Income Fund	109	104
		16.3	<u>697,962,983</u>	<u>409,155,048</u>

16.2 Ordinary shares of listed companies

2026 No. of shares	2025		2026 Rupees	2025 Rupees
28,050	28,050	Engro Holding Limited	8,070,546	5,120,808

16.3 The above portfolio of investments acquired principally for sale in the near term and accordingly measured at FVTPL.

16.4 Amounts recognized in statement of profit or loss

	Note	2026 Rupees	2025 Rupees
During the year, the following gains / (losses) were recognized in statement of profit or loss:			
Gain / (loss) on remeasurement of investments	34	2,090,119	(1,608,666)
Gain on sale of investments	34	19,517,502	12,289,347

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

16.5 Disposals of investments measured at FVTPL

During the year, the Company sold its investments in mutual funds and equity shares having fair values of Rs. 3,180 million (2025: Rs. 2,392 million) and Rs. nil (2025: 69 million) respectively at the time of sale and realized a gain of Rs.19.517 million (2025:Rs. 10.616 million) on disposal of mutual funds and Rs. nil gain (2025: 1.67 million) on equity shares which is recognized in the statement of profit or loss.

16.6 Ordinary shares of listed companies

Fully paid ordinary shares of Rs. 10 each.

2026 No. of shares	2025 No. of shares		2026 Rupees	2025 Rupees
55,000	55,000	Engro Fertilizers Limited	10,942,250	10,207,450
76,750	76,750	Engro Polymer & Chemical Limited	2,594,918	2,421,463
878,338	878,338	Meezan Bank Limited	453,626,443	291,652,133
-	670,661	Sitara Energy Limited	-	7,437,630
1,402,822	3,220,000	Sitara Peroxide Limited	92,684,449	47,945,800
			<u>559,848,060</u>	<u>359,664,476</u>

16.6.1 Movement in investments measured at FVTOCI

Balance at the beginning of the year	359,664,476	349,214,157
Disposed off / transferred during the year	(49,545,012)	(77,981,551)
Fair value gain	249,728,596	88,431,870
Balance at the end of the year	<u>559,848,060</u>	<u>359,664,476</u>

16.6.2 These investments in equity instruments are not held for trading and are instead, held for medium to long-term strategic purposes. Accordingly, the Company has elected to designate these investments in equity instruments as at FVTOCI as the Company believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

16.6.3 Amounts recognized in statement of profit or loss and statement of comprehensive income

	2026 Rupees	2025 Rupees
Gain on re-measurement of equity instruments recognized in statement of comprehensive income	235,602,777	86,814,159
Gain on disposal of equity instruments recognized in statement of comprehensive income	15,049,601	1,597,640

16.6.4 The investments carried at FVTOCI earned dividend during the year amounting to Rs. 26.205 million (2025:Rs. 27.8 million). Dividend income on investments carried at FVTOCI comprises of dividend earned on disposed of investments and held at year end amounting to Rs. nil (2025:Rs. 0.8 million) and Rs. 26.205 million (2025:Rs. 27 million) respectively.

16.6.5 The investments at FVTOCI have been sold to arrange the working capital requirements.

17. CASH AND BANK BALANCES	Note	2026 Rupees	2025 Rupees
Cash in hand		20,632,474	24,191,146
Cash at banks			
-In current accounts	17.1	79,105,611	265,266,364
-In saving accounts	17.1	122,016,042	45,407,861
		201,121,653	310,674,225
	17.2	221,754,127	334,865,371

17.1 These are shariah compliant bank balances and carry profits at rates ranging from 6.63% to 8.01% (2025:7.45% to 9.92%) per annum.

17.2 The Company has banking relationship majorly with the banks having Islamic banking system.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

18. SHARE CAPITAL

2026 No. of shares	2025 No. of shares		2026 Rupees	2025 Rupees
		<i>Authorized</i>		
		Ordinary shares of Rs. 10 each		
40,000,000	40,000,000	Class "A"	400,000,000	400,000,000
20,000,000	20,000,000	Class "B"	200,000,000	200,000,000
<u>60,000,000</u>	<u>60,000,000</u>		<u>600,000,000</u>	<u>600,000,000</u>
2026 No. of shares	2025 No. of shares		2026 Rupees	2025 Rupees
		<i>Issued, subscribed and paid up</i>		
		Class "A" ordinary shares of Rs.10/- each		
8,640,000	8,640,000	- fully paid in cash	86,400,000	86,400,000
10,804,398	10,804,398	- issued as fully paid bonus shares	108,043,980	108,043,980
		- issued as fully paid under scheme of arrangement for amalgamation		
1,985,009	1,985,009		19,850,090	19,850,090
<u>21,429,407</u>	<u>21,429,407</u>		<u>214,294,070</u>	<u>214,294,070</u>

- 18.1 Class "B" ordinary shares do not carry any voting rights.
- 18.2 Number of shares held by associated companies or related parties are 982,548 (2025: 962,818)
- 18.3 The Company has no reserved shares under options and sales contracts.
- 18.4 *Rights and privileges of Board of Directors*

The Board of Directors of the Company are elected by majority vote. The membership of the Board of Directors reflects as closely as possible the proportion in which the shares of the Company are held.

19. RESERVES	Note	2026 Rupees	2025 Rupees
<i>Capital</i>			
Share premium	19.1	97,490,410	97,490,410
<i>Revenue</i>			
General reserve	19.2	1,225,000,000	1,225,000,000
<i>Other</i>			
Reserve on re-measurement of equity instruments at FVTOCI	19.3	547,078,302	258,327,854
Reserve on re-measurement of post retirement benefits net of tax	19.4	(12,519,298)	(12,303,814)
		<u>1,857,049,414</u>	<u>1,568,514,450</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 19.1** This represents premium realized on issue of right shares of Rs. 34.55 million during 1991-92, 1993-94 and 1994-95 at the rate of 10%, 10% and 12.50% respectively and of Rs. 62.94 million on issue of 1,985,009 fully paid ordinary shares to the shareholders of Sitara Spinning Mills Limited under scheme of amalgamation of Sitara Chemical Industries Limited and Sitara Spinning Mills Limited, sanctioned by Honorable Sindh High Court in 1999. Share premium account can not be used for profit distribution.
- 19.2** The general reserve is used from time to time to transfer profits from un-appropriated profit. There is no policy of regular transfer. General reserves are not usable for profit distribution.
- 19.3** This reserve represents the unrealized surplus on remeasurement of equity instruments as at FVTOCI.
- 19.4** This reserve represents the surplus on remeasurement of post retirement benefits.

	2026 Rupees	2025 Rupees
20. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Opening balance	5,280,148,065	5,632,574,755
Transferred to unappropriated profit on account of		
Incremental depreciation - net of deferred tax	(204,242,725)	(214,980,281)
Related deferred tax liability due to incremental depreciation	(119,952,077)	(137,446,409)
	(324,194,802)	(352,426,690)
Closing balance	4,955,953,263	5,280,148,065
<i>Related deferred tax liability</i>		
Opening balance	(1,601,578,330)	(1,739,024,739)
Impact of change in tax rate	82,132,222	-
Deferred tax on incremental depreciation	119,952,077	137,446,409
	(1,399,494,031)	(1,601,578,330)
Closing balance	3,556,459,234	3,678,569,735

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

21. LONG TERM FINANCING	Note	2026 Rupees	2025 Rupees
<i>From banking companies and other financial institutions - secured</i>			
Diminishing Musharka (from financial institutions - secured)	21.1	6,370,598,434	6,527,351,978
Sukuks (Listed, privately placed, secured and rated)	21.2	2,300,000,000	2,300,000,000
		<u>8,670,598,434</u>	<u>8,827,351,978</u>

21.1 Diminishing Musharka (from financial institutions - secured)

Description	Profit	Security	Repayment	2026	2025
Habib Bank Limited-Soap Noodle Plant	SBP Rate plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 574 million over all present and future fixed assets (land, building, plant and machinery) of Soap Noodles Project of the Company, inclusive of 25% margin.	This SBP Islamic Temporary Economic Refinance Facility (ITERF) was sanctioned for the amount of Rs. 500 million. Availed total amount of Rs. 426.55 million. The total tenure of the facility is 6 years commencing from October 01, 2020 and ending on September 30, 2026 including 1 year grace period. The facility is repayable in 20 equal quarterly installments.	47,716,647	127,582,861
Askari Bank Limited - Soap Noodle Plant Rs.1,000 M	SBP Rate plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,250 million over all present and future fixed assets (land, building, plant and machinery) of Soap Noodles Project of the Company, inclusive of 25% margin.	This SBP ITERF was sanctioned for amount of Rs. 1,000 million. The total tenure of the facility was 5 years commencing from November 26, 2020 and ending on November 26, 2025 including 1.5 year grace period. Facility was repayable in 14 equal quarterly installments.	-	122,225,594
Dubai Islamic Bank- Soap Noodle Plant Rs.500 M	SBP Rate plus 1.1% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 534 million over all present and future fixed assets (land, building, plant and machinery) of Soap Noodles Project of the Company, inclusive of 25% margin.	This SBP ITERF was sanctioned and availed for amount of Rs. 400 million. Facility is repayable in 10 equal half yearly installments including 01 year grace period commencing from March 09, 2020 and ending on October 21 2028.	98,066,588	151,430,222
Meezan Bank Limited - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,333 million over present and future Plant and Machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,000 million. The tenor for the facility is 7 years including 1.5 years of grace period. Facility is repayable in 11 equal quarterly installments ending on January 12, 2029.	997,205,870	997,205,870

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FOR THE YEAR ENDED JUNE 30, 2026

Description	Profit	Security	Repayment	2026	2025
The Bank of Punjab - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	Joint Pari Passu Charge over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,750 million. Facility is repayable in 15 equal quarterly installments ending on June 30, 2029.	1,345,279,184	1,652,220,980
The Bank of Khyber - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	Joint pari passu charge over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 500 million. The tenure for the facility is 7 years commencing from September 26, 2022 including 1.5 years of grace period. Facility was repayable in 22 equal quarterly installments. However, during the year this facility has been repaid before maturity.	-	78,789,401
The Bank of Khyber - Electrolyzer	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	Specific charge over plant and machinery, imported from China i-e complete Electrolyzer with all standard accessories amounting to Rs. 350 million.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 264.4 million. The tenure for the facility is 3 years, commencing from January 2, 2026 including 0.5 years of grace period. Facility is repayable in 10 equal quarterly installments.	262,400,000	-
National Bank of Pakistan - Sale and lease back	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	The Company has created an exclusive charge amounting to Rs. 1,067 million, with a 25% margin, over specified fixed assets comprising land and building of a commercial property measuring 23 kanal and 7 marlas, in favour of the bank as security against the financing facilities. In addition, a token registered mortgage of Rs. 1 million has been created over the said property.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 800 million. The tenure for the facility is 5 years with 400 million commencing from October 31, 2025 and 400 million commencing from December 31, 2025. Facility is repayable in 16 equal quarterly installments.	800,000,000	-
Askari Bank Limited - CFPP	Three months KIBOR plus 1.10% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,333.334 million over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,000 million. The tenure for the facility is 7 years commencing from November 30, 2022 and ending on November 30, 2029 including 1.5 years of grace period. Facility is repayable in 17 equal quarterly installments.	764,684,991	999,972,679

NOTES TO THE FINANCIAL STATEMENTS

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Description	Profit	Security	Repayment	2026	2025
Bank Alfalah Limited - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge of Rs. 1,333.334 million over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 1,000 million The tenure for the facility is 6.5 years including 1.5 years of grace period. Facility is repayable in 17 equal quarterly installments.	982,900,083	982,900,083
Soneri Bank Limited - CFPP	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First joint pari passu charge over present and future plant and machinery of the Coal Fired Power Plant with 25% margin.	This Diminishing Musharka facility was sanctioned for amount of Rs. 1,000 million commencing from September 23, 2024. Facility is repayable in 21 equal quarterly installments with grace period of 18 months.	866,095,071	890,961,788
Soneri Bank limited - Electrolyzer	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	First exclusive specific charge of Rs. 467 million over plant and machinery to complete electrolyzer with all standard accessories and essential attachments either in transit or installed or to be installed at unit-M3 of the Company.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 247.50 million commencing from May 15, 2023. The tenure for the facility is 3 years. Facility is repayable in 12 equal quarterly statements.	-	92,812,500
Meezan Bank Limited - Soap Noodle Plant	Three months KIBOR plus 1.00% per annum payable on quarterly basis.	Joint pari passu charge over plant and machinery of Soap Noodles Plant including Land and Building with 25% Margin.	This Diminishing Musharka finance facility was sanctioned for an amount of Rs. 900 million. Availed total amount of Rs. 600 million till June 30, 2022. The total tenure of the facility is 5 years commencing from March 13, 2023 and ending on December 13, 2026 including 1 year grace period. Facility is repayable in 16 equal quarterly installments. Moreover, remaining Rs. 300 Million was availed on January 18, 2023 which is repayable in 16 equal quarterly installments. The total tenure of the facility is 5 years commencing from April 19, 2023 and ending on January 19, 2028 including 1 year grace period.	206,250,000	431,250,000
				6,370,598,434	6,527,351,978
Less: Current portion				(1,902,938,609)	(805,421,231)
				4,467,659,825	5,721,930,747

21.1.1 Effective rate of profit for the year is ranging from 11.33% to 13.60% (2025: 12.90% to 22.9%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

21.2 Sukuks

Listed, privately placed, secured and rated

Three months KIBOR plus 1.75% per annum payable on quarterly basis.

Exclusive hypothecation charge over the fixed assets. The collective pledged of encumbrance value of these assets is approximately PKR 3,601 million as at May 2, 2024 valued by AJ valuers.

The Sukuks will be mature after seven years on February 13, 2032. The mark up on these sukuk will be repaid quarterly in 28 installments starting from May 13, 2025 to February 13, 2032. The sukuk shall be redeemed through 22 equal payments with the initial payment becoming due 21 months subsequent to draw down date, and thereafter at the commencement of each successive quarter.

2,300,000,000	2,300,000,000
---------------	---------------

2,300,000,000	2,300,000,000
---------------	---------------

(313,636,365)	-
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1,986,363,635	2,300,000,000
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21.2.1 The Company had issued in the year 2025 sukuk certificates of Rs 2,300 million to eligible institutional and other investors by way of private placement. The BankIslami Pakistan Limited and Alhamd Shariah Advisory Services Private Limited were engaged as investment agent and shariah advisor respectively for the issue of the sukuk.

21.3 The exposure of the Company's borrowings to profit rate changes and the contractual repricing dates at the reporting date are as follows:

Maturity

6 months or less
6 - 12 months
1 - 5 years
5 years above

2026
Rupees

2025
Rupees

1,054,253,084

506,409,152

1,162,321,890

299,012,079

6,140,387,105

7,185,567,111

313,636,355

836,363,636

8,670,598,434

8,827,351,978

21.4 The fair value under long term financing is same as carrying amount.

21.5 Markup paid on these Islamic mode facilities amounted to Rs. 1,426.31 million (2025: Rs. 440.81 million)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

22.	DEFERRED TAXATION	Note	2026 Rupees	2025 Rupees	
	Deferred taxation	22.1	4,178,406,164	3,770,611,487	
22.1	Deferred taxation This comprises the following:				
	Deferred tax liability on taxable temporary differences arising in respect of:				
	Tax depreciation allowance		3,978,010,780	2,531,914,792	
	Surplus on revaluation of property, plant and equipment		1,399,494,031	1,601,578,330	
	Intangible assets		360,296	2,484,849	
	Other financial asset		-	39,021,852	
			5,377,865,107	4,174,999,823	
	Deferred tax asset on deductible temporary differences arising in respect of:				
	Provision for employee benefits		(37,711,170)	(41,749,075)	
	Allowance for expected credit losses		(262,480,517)	(209,297,620)	
	Investment property		(30,357,180)	(29,021,990)	
	Unused tax credits		(541,607,893)	(124,319,651)	
	Un-absorbed tax depreciation		(327,302,183)	-	
			(1,199,458,943)	(404,388,336)	
			4,178,406,164	3,770,611,487	
		Balance as at July 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2026
22.1.1	Movement in temporary differences for the year			Rupees	
	Taxable temporary difference				
	Taxable temporary difference				
	Tax depreciation allowance	2,531,914,792	1,446,095,988	-	3,978,010,780
	Surplus on revaluation of property, plant and equipment	1,601,578,330	(119,952,077)	(82,132,222)	1,399,494,031
	Intangible assets	2,484,849	(2,124,553)	-	360,296
	Other financial assets	38,098,070	-	(38,098,070)	-
	Deductible temporary difference				
	Provision for employee benefits	(41,749,075)	3,963,988	73,917	(37,711,170)
	Allowance for expected credit losses	(209,297,620)	(53,182,897)	-	(262,480,517)
	Investment property	(29,021,990)	(1,335,190)	-	(30,357,180)
	Unused tax credits	(123,395,869)	(418,212,024)	-	(541,607,893)
	Unabsorbed tax depreciation	-	(327,302,183)	-	(327,302,183)
		3,770,611,487	527,951,052	(120,156,375)	4,178,406,164

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Balance as at July 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2025
<i>Taxable temporary difference</i>			Rupees	
Tax depreciation allowance	2,455,810,238	76,104,554	-	2,531,914,792
Surplus on revaluation of property, plant and equipment	1,739,024,739	(137,446,409)	-	1,601,578,330
Intangible assets	2,646,990	(162,141)	-	2,484,849
Other financial assets	30,917,704	-	7,180,366	38,098,070
<i>Deductible temporary difference</i>				
Provision for employee benefits	(36,953,451)	(2,334,278)	(2,461,346)	(41,749,075)
Allowance for expected credit losses	(142,731,865)	(66,565,755)	-	(209,297,620)
Investment property	(25,560,241)	(3,461,749)	(29,021,990)	-
Deferred receivables	(6,890,103)	6,890,103	-	-
Unused tax credits	(323,628,351)	200,232,482	-	(123,395,869)
Unabsorbed tax depreciation	-	-	-	-
	3,692,635,660	73,256,807	4,719,020	3,770,611,487

	Notes	2026 Rupees	2025 Rupees
23. DEFERRED LIABILITIES			
Deferred grant	23.1	26,644,586	69,243,308
Gratuity payable	23.2	101,922,082	107,048,911
		128,566,668	176,292,219
23.1 Deferred grant			
At beginning of the year		69,243,308	145,393,432
Amortization of deferred grant	34	(42,598,722)	(76,150,124)
At the end of the year		26,644,586	69,243,308
23.2 Staff retirement benefits - gratuity			
Movement in net liability			
At beginning of the year		107,048,911	94,752,439
Charge for the year		14,958,120	35,101,293
Remeasurement loss recognized in other comprehensive income		141,367	6,311,142
Benefits paid during the year		(20,226,316)	(29,115,963)
At the end of the year		101,922,082	107,048,911
23.2.1 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation at beginning of the year		107,048,911	94,752,439
Current service cost		14,951,904	33,848,533
Curtailment / settlement gain		(1,597,956)	(3,957,550)
Interest cost		1,604,172	5,210,310
Benefits paid		(20,226,316)	(29,115,963)
Remeasurement loss from changes in financial assumptions		141,367	6,311,142
Present value of defined benefit obligation at end of the year		101,922,082	107,048,911

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
23.2.2 Expense recognized in profit and loss account is as follows		
Current service cost	14,951,904	33,848,533
Interest cost	1,604,172	5,210,310
Curtailment / settlement gain	(1,597,956)	(3,957,550)
	<u>14,958,120</u>	<u>35,101,293</u>
23.2.3 Charge for the year has been allocated as follows:		
Cost of sales	10,470,684	24,570,904
Administrative expenses	4,487,436	10,530,389
	<u>14,958,120</u>	<u>35,101,293</u>
23.2.4 Total remeasurement chargeable to statement of other comprehensive income:		
Actuarial loss on remeasurement of defined benefit obligation		
Financial adjustment	(819,663)	659,105
Experience adjustment	961,030	5,652,037
	<u>141,367</u>	<u>6,311,142</u>
	<u>141,367</u>	<u>6,311,142</u>

23.2.5 Projected unit credit method, based on the following significant assumptions, is used for valuation of gratuity:

	2026 Rupees	2025 Rupees
Discount rate	11.75%	11.75%
Expected rate of salary increase	12.00%	13.77%
Average retirement age of employee	60 years	60 years

23.2.6 The sensitivity of defined benefit obligation to changes in weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(678,486)	735,998
Salary growth	1%	836,835	(785,953)

The aforementioned sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
23.2.7 Maturity profile of the defined benefit obligation		
23.2.7.1 Weighted average duration of the benefit (Years)	3.20	3.54
23.2.7.2 Distribution of timing of benefit payments (time in years)	2026 Rupees	2025 Rupees
1	89,283,436	91,493,149
2	2,592,372	7,753,457
3	2,350,485	2,005,630
4	2,105,081	1,722,956
5	1,804,812	1,652,984
6 to 10	11,092,964	8,103,883
11 and above	8,329,180	9,982,191

23.2.8 Risk associated with defined benefit plans

Longevity risks

This risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risks

The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risks

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

23.2.9 Estimated Expenses to be Charged in Next Year

The estimated expense to be recognized for the year ended June 30, 2027 amounts to Rs. 10,460,511.

24. TRADE AND OTHER PAYABLES	Note	2026 Rupees	2025 Rupees
Creditors	24.1	2,352,070,630	1,782,317,118
Accrued liabilities	24.2	2,068,091,518	1,448,082,192
Advances from customers	24.3	130,699,429	109,843,961
Provision for gas infrastructure development cess	24.4	678,595,472	678,595,472
Payable to Provident fund- related party	24.5	4,322,824	3,883,020
Retentions / security deposits	24.6	336,332,445	242,238,405
Withholding income tax		15,718,468	30,683,755
Withholding sales tax payable		51,234,838	38,526,923
Workers' profit participation fund	24.7	2,564,134	103,856,330
Workers' welfare fund		68,944,636	61,682,877
Others		4,126,877	2,690,677
		<u>5,712,701,271</u>	<u>4,502,400,730</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 24.1** This includes a balance due to Aziz Fatima Trust Hospital, a related party, amounting to Rs. 25.3 million. (2025: Rs. 17.8 million). The maximum amount of Rs. 25.3 million is due to Aziz Fatima Trust Hospital at the end of any month during the year.
- 24.2** This includes an amount payable to Sui Northern Gas Pipelines Limited in respect of cost of supply relating to the RLNG supplies in the billing month of January 2018 based on interim order passed by Oil and Gas Regulatory Authority. The Company along with other industrial units in Punjab filed writ petition for deferment of said order. The Honorable Lahore High Court issued stay order with reference to the petition filed. The matter is pending adjudication. However, the Company has been recording a provision amounting Rs. 582 million (2025: Rs.569 million) on prudence basis since January, 2018.
- 24.3** During the year, the Company has made sales against Rs. 37 million (2025: Rs.102 million) prior year advances from customers.
- 24.4** Under the Gas Infrastructure Development Cess (GIDC) Act, 2011, the Government of Pakistan levied GIDC on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Subsequently, the GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Company had obtained ad-interim stay orders from Sindh High Court.

On May 22, 2015, the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014.

Further, the Honorable Sindh High Court granted the Company ad-interim stay order against the GIDC Act, 2015. This stay order had restrained Sui Northern Gas Pipelines Limited (SNGPL) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on the writ petition. However, on prudence basis, the Company had recognized an aggregate provision of Rs. 945.84 million relating to industrial as well as captive power consumption consumed until December 31, 2019. Further, the Company started to receive gas on the rates of RLNG from January 01, 2020 and no GIDC was applicable / charged on gas received as RLNG, therefore no provision was required / made since January 01, 2020.

On August 13, 2020, the Supreme Court of Pakistan (SCP) announced its decision pertaining to GIDC, directing recovery of Rs. 417 billion GIDC payables from the industries. According to the court decision, the amount was payable in twenty-four equal monthly instalments starting from August 01, 2020 without the component of late payment surcharge.

In accordance with the SCP's decision, the Company reversed the late payment surcharge amounting to Rs. 72.40 million in the financial year 2021 leaving a net provision of Rs. 873.33 million.

Furthermore, during 2021 as per the guidance of IFRS 9 "Financial Instruments", the liability for GIDC that was referred to in the decision of SCP amounting to Rs. 467.38 million was re-measured at fair value and present value of future cash outflows discounted at market rate of interest was recognized at an amount of Rs. 429.80 million. The difference amounting to Rs. 37.49 million between the fair value of GIDC liability (i.e. present value of amount required to be paid to settle the GIDC liability) and transaction price of GIDC liability (i.e. undiscounted amount of GIDC liability) was recognized as a gain on discounting of liability for GIDC in statement of profit or loss. In this regard, the Company paid 10 out of 24 instalments against above referred GIDC liability till May 31, 2021 and stopped making subsequent payments as a result of stay order from SCP. In this regard, till the previous year ended June 30, 2023, all remaining unwinding was recorded in profit or loss account and the GIDC liability was classified under current liabilities in the financial statements till the further decision of SCP.

Further, the Company has also filed a writ petition in SHC dated August 16, 2021 to suspend the recovery of arrears of cess calculated at enhanced captive rates. SHC has granted a stay for recovery of arrears and matter is pending for adjudication. The remaining provision of Rs. 406.06 million (out of Rs. 873.44 million recognized in previous years) will also be transferred depending on the decision of SHC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 24.5 This represents contribution of the Company and employees in respect of provident fund. The maximum aggregate amount payable to related party at the end of any month during the year was Rs. 4.3 million (2025: Rs. 3.88 million).
- 24.6 As per the requirements of section 217 of the Companies Act, 2017 deposits of Rs. 184.750 million (2025: Rs. 186.99 million) are utilized for the purpose of business as per the written agreements and deposits of Rs. 1.17 million (2025: Rs. 1.17 million) are kept in separate bank account.

24.7	<i>Movement in workers' profit participation fund</i>	Note	2026 Rupees	2025 Rupees
	At beginning of the year		103,856,330	2,942,158
	Amount paid/adjusted to workers on behalf of the fund		(228,864,665)	485,373
			(125,008,335)	3,427,531
	Allocation for the year	32	127,572,469	100,428,799
	At end of the year		2,564,134	103,856,330
25.	PROFIT / FINANCIAL CHARGES PAYABLE			
	Long term financing		583,592,128	937,068,177
	Sukuks		41,992,329	40,665,030
	Short term borrowings		251,956,319	216,422,033
			877,540,776	1,194,155,240
26.	SHORT TERM BORROWINGS			
	Secured			
	From banking companies - Islamic financing facilities	26.1	10,523,099,411	9,340,377,001
26.1	<i>Break up of the short term borrowings</i>			
	Al Baraka Bank (Pakistan) Limited		750,000,000	750,000,000
	Askari Bank Limited		1,201,117,985	900,000,000
	Bank Alfalah Limited		500,000,000	500,000,000
	BankIslami Pakistan Limited		400,000,000	250,000,000
	Dubai Islamic Bank Pakistan Limited		1,250,000,000	1,150,000,000
	Faysal Bank Limited		500,000,000	600,000,000
	Habib Bank Limited		749,979,970	649,985,850
	Habib Metropolitan Bank Limited		550,000,000	700,000,000
	MCB Islamic Bank Limited		240,000,000	90,000,000
	Meezan Bank Limited		1,162,613,056	1,106,436,332
	National Bank of Pakistan		500,000,000	100,000,000
	Soneri Bank Limited		450,000,000	400,000,000
	Standard Chartered Bank (Pakistan) Limited		500,000,000	700,000,000
	The Bank of Khyber		634,400,000	415,000,000
	The Bank of Punjab		834,988,400	849,980,820
	United Bank Limited		300,000,000	178,973,999
			10,523,099,411	9,340,377,001

- 26.2 The unavailed facilities from banking companies aggregate to Rs. 4,177 million (2025: Rs. 3,200 million). These facilities carry markup ranging from 10.78% to 13.59% (2025: 11.66% to 22.67%) per annum and are secured against joint pari-passu charge over present and future current assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

An amount of Rs. 125.6 million has been paid by the Company to the Punjab Revenue Authority ("PRA") in June 2023, under protest, and is accordingly reflected under "Advances". The demand of Rs. 168.9 million was raised by the PRA in respect of alleged non-deduction of withholding taxes for the tax years 2015 to 2018, which was upheld by the Appellate Tribunal, PRA vide its Order dated February 13, 2023. The Company filed a Reference Application against the said Order before the Honourable Lahore High Court.

During the current year, the Honourable Lahore High Court, vide judgment dated May 12, 2026, set aside the impugned judgment of the Appellate Tribunal and allowed the Reference Application in favour of the Company. PRA has filed a Civil Petition for Leave to Appeal ("CPLA") before the Honourable Supreme Court of Pakistan against the said judgment, which is pending consideration for grant of leave to appeal. The Company remains confident of an outcome in its favour in the event leave to appeal is granted. Accordingly, the amount of Rs. 125.6 million paid to the PRA under protest continues to be recognized as an advance, pending the final outcome of the proceedings and completion of the requisite legal and administrative process.

			2026 Rupees	2025 Rupees
27.2	Commitments	Note		
	Guarantees issued by banks on behalf of the Company		382,239,650	391,045,400
	Outstanding letters of credit for plant and machinery		331,366,479	124,928,260
	Outstanding letters of credit for stores, spare parts and raw material		161,760,625	2,691,461,024
28.	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
	Gross revenue		39,490,605,528	39,498,444,353
	Less:			
	Commission and discount		(899,006,282)	(940,612,823)
	Sales tax		(6,038,737,165)	(6,027,616,006)
	Revenue from contracts with customers - net	28.1	32,552,862,080	32,530,215,524
28.1	All revenue earned by the Company is shariah compliant.			
29.	COST OF SALES			
	Raw and packing material consumed	29.1	9,848,854,332	8,997,017,360
	Fuel and power		13,822,161,251	13,500,573,633
	Salaries, wages and benefits	29.2	1,428,712,019	1,173,094,260
	Stores and spares		880,588,888	924,583,185
	Repair and maintenance		156,529,176	108,091,221
	Vehicle running and maintenance		2,299,681	5,975,094
	Travelling and conveyance		56,309,619	54,628,586
	Insurance		74,071,998	59,182,846
	Depreciation	5.1.1	1,582,125,233	1,439,810,480
	Amortization	6	792,987	692,556
	Others		928,516	1,850,523
			27,853,373,700	26,265,499,744
	Work in process			
	Opening stock		54,650,718	57,219,277
	Closing stock		(64,896,480)	(54,650,718)
			(10,245,762)	2,568,559
	Cost of goods manufactured		27,843,127,938	26,268,068,303
	Finished stocks			
	Opening stock - including waste		1,720,335,775	2,363,521,811
	Closing stock - including waste		(3,166,311,068)	(1,720,335,775)
			(1,445,975,293)	643,186,036
			26,397,152,645	26,911,254,339

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		2026 Rupees	2025 Rupees
29.1	<i>Raw and packing material consumed</i>		
	Opening stock	2,415,290,722	1,254,005,663
	Purchases	9,421,984,396	10,158,302,419
		11,837,275,118	11,412,308,082
	Closing stock	(1,988,420,786)	(2,415,290,722)
		9,848,854,332	8,997,017,360
29.2	Salaries, wages and benefits include Rs. 10.5 million (2025: Rs. 24.5 million) in respect of gratuity and Rs. 15.5 million (2025: Rs. 12.5 million) in respect of provident fund.		
30.	<i>DISTRIBUTION COST</i>	Note	
	Salaries, wages and benefits	30.1	54,342,073
	Freight, octroi and insurance		660,121,315
	Advertisement		19,102,765
	Vehicles running and maintenance		7,990,631
	Travelling and conveyance		6,886,445
	Postage and telephone		2,622,741
	Printing and stationery		564,191
	Others		3,841,103
			755,471,264
30.1	Salaries, wages and benefits include Rs. 1.54 million (2025: Rs. 1.01 million) in respect of provident fund.		
31.	<i>ADMINISTRATIVE EXPENSES</i>	Note	
	Directors' remuneration	41	102,790,174
	Salaries, wages and benefits	31.1	641,206,187
	Postage and telephone		6,620,121
	Vehicles running and maintenance		93,111,652
	Printing and stationery		4,876,493
	Electricity		29,585,079
	Rent, rates and taxes		6,315,186
	Travelling and conveyance		45,307,816
	Advertisement		31,792,083
	Books and periodicals		73,132
	Fees and subscription		29,222,059
	Legal and professional	31.2	3,615,586
	Repairs and maintenance		41,145,101
	Auditors' remuneration	31.3	3,700,000
	Entertainment		49,706,123
	Donations	31.4	157,321,526
	Insurance		3,555,226
	Depreciation	5.1.1	84,719,918
	Depreciation on investment property	7.2	7,631,073
	Others		10,351,501
			1,352,646,036
			1,259,270,477

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

31.1 Salaries, wages and benefits include Rs. 4.5 million (2025: Rs. 10.53 million) in respect of gratuity and Rs. 7.8 million (2025: Rs. 6.7 million) in respect of provident fund.

31.2 Legal and professional includes Rs. 0.6 million (2025: Rs. 0.6 million) paid to Shariah Advisor.

31.3	Auditors' remuneration	2026 Rupees	2025 Rupees
	Annual statutory audit	2,100,000	1,970,000
	Half yearly, Code of Corporate Governance and Shariah compliance reviews	950,000	880,000
	Out of pocket expenses	150,000	150,000
	Tax advisory services	500,000	500,000
		3,700,000	3,500,000

31.4 It includes Rs. 20.74 million (2025: Rs. 19.17 million) to Sheikh Foundation, Rs. 19.062 million (2025: 10.54 million) Iqra Rozatul Atfal Trust, Rs. 2.35 million (2025: 1.81 million) System Foundation Educational Organization, Rs. 100.2 million (2025: Rs. 89.25 million) Aziz Fatima Trust (AFT) and Rs. 14.958 million (2025: 6.6 million) to other charitable and welfare organizations. AFT primarily runs a charitable hospital for needy and poor people. Mr. Muhammad Adrees, the CEO and director of the Company, is also a Trustee of the AFT.

32.	OTHER EXPENSES	Note	2026 Rupees	2025 Rupees
	Workers' profit participation fund	24.7	127,572,469	100,428,799
	Workers' welfare fund		51,028,988	47,340,753
	Remeasurement loss on short term investments measured at FVTPL		-	1,608,666
	Loss on disposal of property, plant and equipment		32,774,995	27,450,230
	Loss on disposal of stores		-	16,940,847
	Exchange loss		10,530	-
			211,386,982	193,769,295
33.	FINANCE COST			
	Long term financing - net	33.1	265,041,805	208,471,480
	Sukuks	33.1	48,945,261	-
	Short term borrowings		1,220,930,846	1,687,337,342
	Bank charges and commission		6,669,341	7,820,626
			1,541,587,253	1,903,629,448

33.1. Markup / profit capitalized during the year amounted to Rs. 802.7 million (2025: Rs. 775.5 million).

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34.	OTHER INCOME	Note	2026 Rupees	2025 Rupees
	<i>Income from financial assets</i>			
	Profit on bank deposits	34.1	26,437,087	35,937,426
	Dividend income	34.2	35,926,918	70,684,039
	Exchange gain	34.3	-	60,492
	Gain on sale of investments measured at FVTPL		19,517,502	12,289,347
	Remeasurement gain on short term investments measured at FVTPL		2,090,119	-
	Unwinding of deferred consideration receivable against sale of land		-	17,666,930
			83,971,626	136,638,234
	<i>Income from other than financial assets</i>			
	Sale of scrap and waste		40,812,412	21,096,072
	Rent income		65,386,932	53,270,110
	Amortization of deferred grant	23.1	42,598,722	76,150,124
	Others		18,206,580	3,464,911
			167,004,646	153,981,217
			250,976,272	290,619,451

34.1 This represents profit earned from shariah compliant bank deposits and bank balances.

34.2 This represents dividend income from mutual funds measured at FVTPL of Rs. 9.7 million (2025: Rs. 42.83 million) and from equity shariah compliant investments measured at FVTOCI of Rs. 26.205 million (2025: Rs. 27.84 million).

34.3 This represents exchange gain earned from actual currency and is shariah compliant.

35.	LEVY		2026 Rupees	2025 Rupees
	Levy for the year	35.1	406,910,776	-
35.1	Levy represents minimum tax on turnover under relevant provisions of the Income Tax Ordinance, 2001.			
36.	<i>PROVISION FOR TAXATION</i>			
	Current tax expense			
	-for the year		13,498,066	654,307,062
	-for prior periods		(25,786,957)	192,710,001
			(12,288,891)	847,017,063
	Deferred tax expense			
	-for the year		539,252,300	73,256,807
	-for prior periods		(11,301,248)	-
			527,951,052	73,256,807
			515,662,161	920,273,870

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36.1 Numerical reconciliation between the applicable and effective tax rate

	2026 %	2025 %
Applicable tax rate	29.00	29.00
Super tax	-	10.00
Prior year adjustments	(1.09)	10.36
Effect of tax credits	1.13	0.69
Effect of exempt/inadmissible incomes as per tax laws (0.24)	-	
Income taxed at different rates	(0.20)	(0.68)
Others	(1.90)	0.07
Impact of change in tax rate	(4.96)	-
Effective tax rate	21.74	49.44

36.2 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2026	2025
Current tax liability for the year as per applicable tax laws	420,408,842	654,307,062
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(13,498,066)	(654,307,062)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(406,910,776)	-
Difference	-	-

37. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on basic earnings per share of the Company, basic is computed as follows:

		2026	2025
Profit for the year	Rupees	1,450,274,996	939,274,553
Weighted average number of ordinary shares outstanding during the year	Number	21,429,407	21,429,407
Earnings per share	Rupees	67.68	43.83

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

38.1 Long term finance

	2026 Rupees	2025 Rupees
Balance at the beginning of the period	8,827,351,978	3,714,842,545
Availed during the year	1,110,215,947	5,823,869,904
Repaid during the year	(1,309,568,213)	(787,510,595)
Present value adjustment against subsidized rate long term loan	42,598,722	76,150,124
Balance at the end of the period	8,670,598,434	8,827,351,978

38.2 Short term finance

	2026	2025
Balance at the beginning of the period	9,340,377,001	9,980,651,389
Availed during the year	25,361,444,802	24,468,725,739
Repaid during the year	(24,178,722,392)	(25,109,000,127)
Balance at the end of the period	10,523,099,411	9,340,377,001

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38.3 <i>Unclaimed dividend</i>	2026 Rupees	2025 Rupees
Balance at the beginning of the period	29,912,321	28,135,772
Announced during the year	200,586,741	183,693,979
Paid during the year	(198,943,149)	(181,917,430)
Balance at the end of the period	31,555,913	29,912,321

39. *FINANCIAL RISK MANAGEMENT*

The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

39.1 *Credit risk and concentration of credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for local trade debts, sundry receivables and other financial assets.

The Company's credit risk exposures are categorized under the following headings:

39.1.1 *Counterparties*

The Company conducts transactions with the following major types of counterparties for its financial assets at amortized cost:

Trade debts

Trade debts are essentially due from local customers against sale of caustic soda, hydrochloric acid, yarn, fabric and other allied products and from foreign customers against supply of caustic soda flakes, magnesium chloride and calcium chloride. The Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed by each business unit subject to the Company's established policy,

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procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit or other form of credit insurance.

Bank and investments

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties that have a credit rating of at least A1 and A. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

39.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2026 Rupees	2025 Rupees
<i>Financial assets at amortized cost:</i>		
Trade debts	2,715,971,293	2,919,787,832
Long term deposits	125,334,279	125,334,279
Loans and advances	552,953,933	536,919,963
Trade deposits and other receivables	30,884,105	55,845,970
Bank balances	201,121,653	310,674,225
	<u>3,626,265,263</u>	<u>3,948,562,269</u>
<i>Financial assets at fair value:</i>		

The maximum exposure to credit risk for trade debts at the reporting date by type of customer is as follows:

Chemical	1,716,741,960	2,041,027,451
Textile	999,229,333	878,760,381
	<u>2,715,971,293</u>	<u>2,919,787,832</u>

There is no single significant customer in the trade debts of the Company.

39.1.3 Impairment losses

The aging of trade receivables at the reporting date is:

	2026 Percentage	2025 Percentage	Gross 2026	Impairment 2026	Gross 2025	Impairment 2025
			Rupees			
Not past due	1%	0%	1,747,310,442	9,352,479	2,045,406,603	-
Past due 30-180 days	10%	9%	1,077,672,942	102,842,345	905,781,592	83,683,007
Past due 181-360 days	94%	74%	50,270,216	47,087,484	199,736,329	147,453,686
Over 360 days	100%	100%	550,124,496	550,124,495	305,523,871	305,523,870
			<u>3,425,378,096</u>	<u>709,406,803</u>	<u>3,456,448,395</u>	<u>536,660,563</u>

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The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	2026 Rupees	2025 Rupees
Balance at beginning of the year	536,660,563	365,979,141
Charge for the year	172,746,239	170,681,422
Balance at end of the year	<u>709,406,802</u>	<u>536,660,563</u>

The allowance in respect of trade receivables and loans and advances are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

39.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 27.2 to these financial statements is the amount of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

39.2.1 Liquidity and interest risk table

The following table details the Company's remaining contractual maturity for its financial liabilities at amortized cost. The table has been drawn up based on the undiscounted cash flows of financial liabilities under long term financing agreements based on the earliest date on which the Company can be required to pay. For effective markup rate, please see relevant notes to these financial statements.

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Carrying amount and contractual cash flows of trade and other financial liabilities are approximately same.

	Carrying amount	
	2026 Rupees	2025 Rupees
<i>Trade and other payables</i>		
Maturity up to one year	4,760,621,470	3,475,328,392
<i>Short term borrowings</i>		
Maturity up to one year	10,523,099,411	9,340,377,001
<i>Unclaimed dividend</i>		
Maturity up to one year	31,555,913	29,912,322
<i>Profit / financial charges payable</i>		
Maturity up to one year	877,540,776	1,194,155,240
<i>Long term financing</i>		
Maturity up to one year	2,216,574,974	805,421,231
Maturity after one year and up to five years	6,454,023,460	8,021,930,747
Maturity after five years	-	-
	<u>9,548,139,210</u>	<u>10,021,507,218</u>

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

39.3.1 Foreign currency risk management

Pak Rupee (PKR) is the functional currency of the Company and as a result currency exposure arises from transactions and balances in currencies other than PKR. The Company's potential currency exposure comprise;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below;

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

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Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2026 CNY	2025 CNY
Retentions / security deposits	3,205,700	7,044,272

Commitments outstanding at year end amounted to Rs. 493 million (2025: Rs.2,816 million) relating to letters of credit for import of plant and machinery, stores spare parts and raw material.

The following significant exchange rates applied during the year:

<i>Rupees per CNY</i>	2026	2025
Average rate	40.29	39.06
Reporting date rate	40.99	39.59

Sensitivity analysis

A 10 percent weakening of the Pak Rupee against the CNY at June 30, 2026 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2025.

	2026 Rupees	2025 Rupees
Decrease in profit and loss account	13,140,164	27,888,273

A 10 percent strengthening of the Pak Rupee against the CNY at June 30, 2026 would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

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39.3.2 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The effects of changes in fair value of such investments made by the Company, on the future profits are considered to be material in the overall context of these financial statements.

39.3.3 Equity Price Risk Management

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 20.04 million (2025: Rs. 20.04 million).

At the reporting date, the exposure to listed equity securities at fair value was Rs. 567.918 million (2025: Rs. 364.785 million). An increase of 25% on the PSX market index would have an impact of approximately Rs. 141.980 million (2025: Rs. 91.196 million) on the income or equity attributable to the Company, depending on whether or not the increase is significant and prolonged. A decrease of 25% in the value of the listed securities would impact income or equity in a similar amount but will not have an effect on income unless there is an impairment charge associated with it.

39.3.4 Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

Profile of financial instruments at amortized cost

At the reporting date, the Company have following interest bearing financial instruments.

	2026 %	2025 %	2026 Rupees	2025 Rupees
<i>Floating rate instruments</i>				
<i>Financial assets</i>				
Bank balances	6.63% to 8.01%	7.45% to 9.92%	122,016,042	45,407,861
<i>Floating rate instruments</i>				
<i>Financial liabilities</i>				
Short term borrowings	10.78% to 13.59%	11.66% to 22.67%	(10,523,099,411)	(9,340,377,001)
Long term financing	11.33% to 13.60%	12.09% to 22.92%	(8,670,598,434)	(8,827,351,978)
			<u>(19,071,681,803)</u>	<u>(18,122,321,118)</u>

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Fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates, with all other variables held constant, of the Company's profit before tax.

	Increase / (decrease) in basis points	Effect on profit before tax
2026	%	Rupees
Bank balances		1,220,160
Short term borrowings	1%	(105,230,994)
Long term financing		(86,705,984)
		(191,936,978)
2025		
Bank balances		454,079
Short term borrowings	1%	(93,403,770)
Long term financing		(90,358,235)
		(183,762,005)

39.4 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for individual assets or liabilities.

Level 2 Inputs, other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Equity instruments at fair value as at June 30, 2026</i>				
Quoted equity securities	567,918,606	-	-	567,918,606
Mutual Funds	697,962,983	-	-	697,962,983
Un-quoted equity securities - FVTPL	-	20,038,687	-	20,038,687
Total	1,265,881,589	20,038,687	-	1,285,920,276
<i>Equity instruments at fair value as at June 30, 2025</i>				
Quoted equity securities	364,785,284	-	-	364,785,284
Mutual Funds	409,155,048	-	-	409,155,048
Un-quoted equity securities - FVTPL	-	20,038,687	-	20,038,687
Total	773,940,332	20,038,687	-	793,979,019

There were no transfers between the levels during the year.

The levels and hierarchy of fixed assets at fair values are disclosed in note 5.7 to the financial statements.

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39.5 Determination of fair values

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Equity instruments at FVTOCI as disclosed in other financial assets in listed entities, are presented at fair value by using quoted prices at Pakistan Stock Exchange as at June 30, 2026 and investment in other than listed entities are presented at purchase cost. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

39.6 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

	2026 Rupees	2025 Rupees
Total borrowings	19,193,697,845	18,167,728,979
Less: Cash and bank balances	221,754,127	334,865,371
Net debt	18,971,943,718	17,832,863,608
Total equity including revaluation surplus	20,450,935,172	18,865,716,456
Total capital	39,422,878,890	36,698,580,064
Gearing ratio	48.12%	48.59%

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40. FINANCIAL INSTRUMENTS BY CATEGORIES

Financial assets as per statement of financial position	2026			2025		
	Amortised cost	Fair value through P&L	Fair value through OCI	Amortised cost	Fair value through P&L	Fair value through OCI
	Rupees					
Long term loans and advances	6,965,144	-	-	2,734,878	-	-
Long term deposits	125,334,279	-	-	125,334,279	-	-
Trade debts	2,715,971,293	-	-	2,919,787,832	-	-
Loans and receivables	9,175,802	-	-	5,631,625	-	-
Trade deposits and other receivables	30,884,105	-	-	55,845,970	-	-
Other financial assets	-	706,033,529	559,848,060	-	414,275,856	359,664,476
Cash and bank balances	221,754,127	-	-	334,865,371	-	-
	3,110,084,750	706,033,529	559,848,060	3,444,199,955	414,275,856	359,664,476
Financial liabilities as per statement of financial position - at amortised cost	2026 Rupees			2025 Rupees		
Long term financing	8,670,598,434			8,827,351,978		
Short term borrowings	10,523,099,411			9,340,377,001		
Unclaimed dividend	31,555,913			29,912,322		
Trade and other payables	5,494,774,604			4,157,806,884		
Profit / financial charges payable	877,540,776			1,194,155,240		
	25,597,569,138			23,549,603,425		

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41. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration including all benefits to Chief Executive, Directors and Executives of the Company are as follows:

	2026			2025		
	Chief Executive	Executive Directors	Executives	Chief Executives	Executive Directors	Executive
	Rupees					
Remuneration	35,993,220	3,142,836	119,811,965	30,000,000	12,000,000	127,824,744
Perquisites						
House rent	10,797,960	942,852	35,929,187	9,000,000	3,600,000	38,347,437
Utilities	3,599,328	314,280	11,976,388	3,000,000	1,200,000	12,782,474
Medical allowance	3,599,292	314,280	11,976,396	3,526,425	1,200,000	12,782,472
Provident fund	-	-	5,671,060	-	-	6,289,349
Special allowance	10,200	10,200	577,412	-	-	776,525
Fuel allowance	5,285,536	-	-	4,654,493	-	-
Income tax	38,780,190	-	-	21,425,406	5,524,594	-
	98,065,726	4,724,448	185,942,408	71,606,324	23,524,594	198,803,001
Number of persons	1	1	61	1	1	66

41.1 The Chief Executive, certain Directors and Executives are provided with free use of Company maintained cars and telephone etc. having value amounting to Rs. 8.86 million (2025: Rs.6.034 million).

41.2 The Company has five (5) non-executive directors who have been paid meeting fee amounting to Rs. 1,000,000 (2025: Rs. 960,000) during the year.

42. TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of holding company, subsidiary and associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with its related parties. Amounts due from related parties are shown under receivables. Details of transactions with related parties for the year are as follows:

		2026 Rupees	2025 Rupees	
42.1	Transactions with related parties			
	Relationship with the Company	Nature of transactions		
	Associated undertakings	Sale of goods	4,877,149	2,082,950
		Donation	100,207,312	89,251,263
	Key management personnel	Remuneration to executives	288,732,582	293,933,919
	Payable to provident fund - related party	Employers contribution	4,322,824	3,883,020

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

42.1.1 The maximum amount of sale to related party during the year was Rs. 4.8 million (2025: 2.082 million).

42.2 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

<i>Company name</i>	<i>Basis of association</i>
Sitara Developers (Private) Limited	Common directorship
Aziz Fatima Trust Hospital	Common directorship
SCIL- Employees Provident Fund Trust	Common directorship/Trustees

42.2.1 The Company does not hold any shares in the above mentioned companies.

42.3 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The salaries and other benefits of directors, who are also key management personnel, are disclosed in note 41 to the financial statements. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel and these are disclosed below:

<i>Name</i>	<i>Shares held</i>	<i>% of shareholding in the Company</i>
Mr. Muhammad Adrees	13,950,802	65.101
Mr. Abdul Awwal	500	0.002
Mr. Najmul Hoda Khan	100	0.000
Mr. Ejaz Hussain	1	0.000
Mr. Haroon Ahmad Zuberi	1	0.000
Mrs. Shala Waheed Sher	1	0.000
Mr. Ahmad Hassan	1	0.000
Mr. Mazhar Ali Khan	N/A	N/A
Mr. Zakir Hussain	N/A	N/A

43. PLANT CAPACITY AND PRODUCTION

Chemical Division	Designed capacity		Actual production		Reason of variation
	2026	2025	2026	2025	
	----- Tons -----				
Caustic soda	207,900	207,900	124,025	118,085	Demand based production
Sodium hypochlorite	74,800	66,000	53,542	55,967	Demand based production
Liquid chlorine	14,850	14,850	7,143	9,595	Demand based production
Bleaching powder	7,920	7,920	7,051	6,569	Demand based production
Hydrochloric acid	363,000	363,000	110,180	108,214	Demand based production
Calcium Chloride pills based production	13,200	13,200	4,636	5,684	- Demand
Oleo Chemicals	34,000	34,000	9,746	9,157	Demand based production

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
<i>Textile Division</i>		
Ring Spinning		
Number of spindles installed	28,512	28,512
Number of spindles worked	28,512	28,512
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	11,063,814	11,063,814
Actual production of yarn after conversion into 20/s count (Kgs)	8,535,384	8,038,487
44. WORKING CAPITAL CHANGES		
<i>(Increase) / decrease in current assets</i>		
Stores, spare parts and loose tools	(153,980,795)	(136,649,456)
Stock in trade	(1,059,987,110)	(515,530,465)
Trade debts	31,059,770	68,493,916
Sales tax refundable	170,551,830	183,708,790
Loans and advances	235,481,813	80,743,453
Trade deposits and short-term prepayments	22,665,727	(1,246,821)
	(754,208,765)	(320,480,583)
Increase in current liabilities		
Trade and other payables	1,210,300,541	1,253,628,959
	456,091,776	933,148,376

45. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278 (I) / 2024 dated August 15, 2024:

		2026 Rupees	2025 Rupees
STATEMENT OF FINANCIAL POSITION	Note		
<i>Liabilities</i>			
Long term Financing as per Islamic mode	21	8,670,598,434	8,827,351,978
Short term borrowing as per islamic mode	26	10,523,099,411	9,340,377,001
Profit / Financial Charges Payables on islamic Loans	25	877,540,776	1,194,155,240
<i>Assets</i>			
Shariah Compliant Bank Balances	17	177,343,221	278,262,482
Non-Shariah Compliant (Conventional) Bank Balances		23,778,432	32,411,743

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

STATEMENT OF PROFIT OR LOSS	Note	2026 Rupees	2025 Rupees
Sales	28	32,552,862,080	32,530,215,524
Finance cost on islamic mode of financing	33	1,541,587,253	1,903,629,448
Finance cost paid on islamic mode of financing		2,618,383,731	2,374,970,445
<i>Profit on Deposits</i>			
Shariah Compliant Bank Deposits	34	26,437,087	35,937,426
Conventional bank deposits		-	-
<i>Exchange difference</i>			
Shariah compliant	32	10,530	(60,492)
Shariah non-compliant		-	-
<i>Scrap Sales</i>			
Shariah compliant	34	40,812,412	21,096,072
Shariah non-compliant		-	-
<i>Rental income</i>			
Shariah compliant	34	65,386,932	53,270,110
Shariah non-compliant		-	-
<i>Gain on sale of investments</i>			
Shariah compliant	16	34,567,103	13,886,987
Shariah non-compliant		-	-
<i>Dividend Income</i>			
Shariah compliant	34	35,926,918	70,684,039
Shariah non-compliant		-	-

Relationship with Shariah-compliant financial institutions:

46. PROVIDENT FUND RELATED DISCLOSURE

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

47. The average and total number of employees during the year are as follows:

	2026	2025
Total number of employees as at June 30	2,893	2,736
Average number of employees during the year	2,838	2,691

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

48. OPERATING RESULTS

	Chemical		Textile		Total	
	2026	2025	2026	2025	2026	2025
Revenue from contracts with customers: ----- Rupees -----						
<i>Local</i>						
Caustic soda	22,990,681,293	23,498,707,848	-	-	22,990,681,293	23,498,707,848
Sodium hypochlorite	2,515,471,145	2,462,425,099	-	-	2,515,471,145	2,462,425,099
Oleochemical	4,074,844,174	3,900,352,812	-	-	4,074,844,174	3,900,352,812
Bleaching powder	571,469,564	508,413,917	-	-	571,469,564	508,413,917
Liquid chlorine	420,570,302	549,276,018	-	-	420,570,302	549,276,018
Hydrochloric acid	916,311,806	978,206,123	-	-	916,311,806	978,206,123
Magnesium chloride and others	2,262,177,040	1,180,972,364	-	-	2,262,177,040	1,180,972,364
Yarn	-	-	4,569,615,853	4,999,185,013	4,569,615,853	4,999,185,013
Fabrics	-	-	947,446,977	810,244,825	947,446,977	810,244,825
Waste	-	-	41,504,530	29,389,861	41,504,530	29,389,861
Export	-	-	-	-	-	-
Caustic soda flakes	22,750,368	64,090,515	-	-	22,750,368	64,090,515
Others	157,762,475	235,654,598	-	-	157,762,475	235,654,598
Trading	-	-	-	-	-	-
Cotton	-	-	-	237,535,275	-	237,535,275
Others	-	-	-	43,990,085	-	43,990,085
	33,932,038,167	33,378,099,294	5,558,567,360	6,120,345,059	39,490,605,527	39,498,444,353
Less:						
Commission and discount	864,920,377	912,180,616	34,085,905	28,432,207	899,006,282	940,612,823
Sales tax	5,174,187,158	5,079,125,416	864,550,007	948,490,590	6,038,737,165	6,027,616,006
Revenue from contracts with customers - net	27,892,930,632	27,386,793,262	4,659,931,448	5,143,422,262	32,552,862,080	32,530,215,524
Cost of sales	(22,282,140,142)	(22,192,013,597)	(4,115,012,503)	(4,719,240,742)	(26,397,152,645)	(26,911,254,339)
Gross profit	5,610,790,490	5,194,779,665	544,918,945	424,181,521	6,155,709,435	5,618,961,186
Other income	212,263,656	229,978,641	38,712,616	60,640,810	250,976,272	290,619,451
Distribution cost	(722,346,820)	(502,902,679)	(33,124,444)	(18,020,892)	(755,471,264)	(520,923,571)
Impairment loss on financial assets	(112,036,718)	(161,903,891)	(60,709,521)	(8,777,531)	(172,746,239)	(170,681,422)
Administrative expenses	(1,198,716,493)	(1,035,220,078)	(153,929,543)	(224,050,399)	(1,349,146,036)	(1,255,770,477)
Finance cost	(1,537,487,807)	(1,895,428,149)	(4,099,446)	(8,201,299)	(1,541,587,253)	(1,903,629,448)
	(3,358,324,182)	(3,365,476,156)	(213,150,338)	(198,409,311)	(3,567,974,520)	(3,560,385,467)
Reportable segments profit before tax	2,252,466,308	1,829,303,509	331,768,607	225,772,210	2,587,734,915	2,058,575,719
Unallocated income / (expenses)						
Administrative expenses					(3,500,000)	(3,500,000)
Other operating income / (expenses)					(211,386,982)	(193,769,295)
Profit before income tax, minimum tax differential and final taxes					2,372,847,933	1,861,306,424
Minimum tax and final taxes differential					-	(1,758,000)
Profit before tax					2,372,847,933	1,859,548,424
Provision for taxation					(922,572,937)	(920,273,870)
Profit for the year					1,450,274,996	939,274,554
Other information						
Segment assets	40,114,868,471	40,101,080,535	4,780,181,019	4,718,245,527	44,895,049,490	44,819,326,062
Unallocated corporate assets					6,292,746,878	2,727,203,086
					51,187,796,368	47,546,529,148
Segment liabilities	25,256,786,169	23,394,656,898	223,502,116	637,555,606	25,480,288,285	24,032,212,504
Unallocated corporate liabilities					5,256,572,911	4,648,600,188
					30,736,861,196	28,680,812,692
Capital expenditure	3,985,502,851	8,361,649,947	255,922,387	422,538,935	4,241,425,238	8,784,188,882
Depreciation	1,517,776,769	1,374,968,687	149,068,382	145,684,690	1,666,845,151	1,520,653,377

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

48.1 *Inter-segment pricing / sales*

There is no purchase and sale between the segments.

48.2 Products and services from which reportable segments derive their revenues

For management purposes, the Company is organized into business units based on their products and services and has the following two reportable operating segments. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Company's CEO reviews internal management reports on at least a quarterly basis:

The Chemical segment produces and supplies various chemicals used in textile and fertilizer industry.

The textile segment is a spinning unit which produces yarn and also trading of fabric.

The Company does not have any geographical segment.

48.3 For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments and all liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

49. *EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE*

In respect of current year, the directors have proposed to pay final cash dividend of Rs. 278.58 million (2025: Rs.235.72 million) at Rs. 13 (2025: Rs. 11.00) per ordinary share of Rs.10 each for approval of the shareholders at the forthcoming Annual General Meeting. Financial effect of the proposed dividend has not been taken in these financial statements and will be accounted for subsequently in the year when such dividend is approved.

50. *DATE OF AUTHORIZATION FOR ISSUE*

These financial statements were authorized for issue on September 28, 2026 by the Board of Directors of the Company.

51. *GENERAL*

Figures have been rounded off to the nearest Rupee.



Muhammad Adrees
Chief Executive Officer



Zakir Hussain
Chief Financial Officer



Ijaz Hussain
Director

SITARA CHEMICAL INDUSTRIES LIMITED

Ballot paper for voting through post for the Special Business at the Annual General Meeting to be held on October 27, 2026 at 03:00 P.M. at JS Auditorium, IBA City Campus, Plot # 68 & 88, Garden/Kayani Shaheed Road, Saddar, Karachi.

Website : www.sitara.com.pk

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.

2. In case if both the boxes are marked as (✓), you poll shall be treated as **“Rejected”**.

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution		I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<u>Agenda item No. 5</u>			
a) Description/Name of asset;	Agricultural Land (Investment property)		
b) Acquisition date of the asset;	Land was acquired on different dates over the period from year 2003-2004 to 2021-2022 & 2025-26. The details are available in Fixed Asset Register, which will be available for inspection of members during office working hours.		
c) Cost;	Rs.2,858,650,433/-		
d) Revalued amount and date of revaluation (if applicable);	Not Applicable - No revaluation surplus/ deficit is recognized in books of accounts.		
e) Book value;	Rs.2,853,595,118/-		
f) Approximate current market price/fair value;	Rs.3,637,450,000/- as of June 30, 2026 as per valuation conducted by M/s. Hamid Mukhtar & Co. (Pvt.) Limited.		
g) In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof;	The sale price would depend on the actual sale. The management believes that the sale price would be higher than the book value/fair value.		
h) In case of lease of assets, tenure, lease rentals, increment rate; mode/basis of determination of lease rentals; and other important terms and conditions of the lease;	Not Applicable		
i) Additional information in case of disposal of land:			
(i) Location;	Chak 193 RB, Chak 194 RB, Chak 200 RB, and Chak 266 RB, Off Sheikhpura Road, Faisalabad.		
(ii) Nature of land (e.g. commercial, agriculture, etc); and	Agricultural Land		
(iii) Area proposed to be sold.	Total Area to be sold: Approximately 3,306 Kanal		
(iv) The proposed manner of disposal of the said assets.	a) The land would be sold by obtaining quotations from prospective buyer(s) directly and through newspaper advertisement. b) That the land may be sold on payment terms in cash or partly in cash and partly in the shape of files of commercial and/or residential plots (In case the buyer intend to develop the land as a residential society) on terms & conditions as may be agreed with the buyer.		

	c) That the land may also be sold to any prospective buyer(s) on joint venture basis for carrying out development and sale of land/plots etc. on terms and conditions as may be agreed between the parties. The terms and conditions shall be approved by the Board of Directors.		
ii)	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts. The Company shall exercise all reasonable diligence in identifying buyer(s) prepared to offer fair market value for the land and will endeavor to complete the transaction(s) in a manner that serves the best interests of the Company and its shareholders. Accordingly, there is no related party involved in the transaction that would necessitate disclosure under the statement of material facts.		
iv)	Purpose of the sale, lease or disposal of assets along with following details: a) Utilization of the proceeds received from the transaction. b) Effect on operational capacity of the company, if any; and c) Quantitative and qualitative benefits expected to accrue to the members. a) The proceeds will be utilized for the repayment or reduction of the Company's existing bank borrowings, thereby reducing finance costs and improving financial efficiency, or for funding new projects and business initiatives, capacity enhancement, expansion and BMR of the existing plant and machinery, and/or meeting other capital expenditure requirements or strategic investments of the Company etc. The sale proceeds may be fully in cash or partly in cash and partly in kind in the form of plot files, if prospective buyer would develop land/society on this land. b) The sale of land has no effect on the operational capacity of the company. c) Utilization of the proceeds for reduction of the Company's existing bank borrowings is expected to reduce finance cost, improve financial efficiency and strengthen profitability and cash flows. Alternatively, investment in new projects, business initiatives, capacity enhancement, expansion or BMR of the existing plant and machinery is expected to enhance operational efficiency, support future growth and profitability, and create long-term value for shareholders. d) In case of consideration received partly in the form of plot files, the same will be held till society/land is developed, which would be beneficial for the Company and the shareholders.		
Therefore, in view of aforesaid, the shareholders are hereby requested to pass the following resolutions as Ordinary Resolutions: “RESOLVED THAT the consent of shareholders of Sitara Chemical Industries Limited (the “Company”) be and is hereby accorded to the disposal and sale of Company's Freehold Agriculture Land (investment property) located in the vicinity of Faisalabad, comprising of approximate 3306 Kanal, subject to requisite approval(s) for cash consideration and /or partly in cash and partly in the form of plot files and as per details given in statement of material facts.” “RESOLVED FURTHER THAT approval be and is hereby accorded for utilization of the proceeds from the disposal of Freehold Agricultural Land to pay loan and /or funding new project(s) and business initiatives, capacity enhancement, expansion and BMR of the existing plant and machinery, and/or meeting other capital expenditure requirements or strategic investments of the Company as may be approved and recommended by the Board of Directors of the Company.” “RESOLVED FURTHER THAT as part and parcel of the foregoing consent, the Board of Directors be and is hereby authorized and empowered for sale of Company's Freehold Agriculture Land on behalf of the Company.” “RESOLVED FURTHER that the Board of Directors be and are hereby authorized to sell the agriculture land and may delegate all or any of its powers in this regard to the Chief Executive or any other Officer of the Company on such terms and conditions as deemed fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement sale of Freehold Agriculture Land (investment property) and the transaction contemplated by it, which shall include, but not be limited to:- a) conducting negotiations, obtaining quotations etc. with interested parties in such manner and on such terms and conditions as are in the best interests of the Company and its shareholders and which secure the best available market price for the sale of land; b) selling the assets to any individual, firm / partnership, bank or private / public limited company or organization or to any other person and, for that purpose, entering into an agreement to sell, sale deed or any other agreement with the buyer(s) or any other person, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and / or transfer documents in			

- c) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting consideration amount in respect of the sale, and;
- d) generally performing and executing in respect of the sale of Freehold Agriculture Land (investment property) all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the land sale.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the sale of Freehold Agriculture Land.”

“FURTHER RESOLVED that the Chief Executive Officer of the Company and/or the Company Secretary be and are hereby severally authorized to sign and submit required statutory returns, announcements, e-filings with the Registrar of Companies, CRO, SECP, Pakistan Stock Exchange and or any other authorities / regulators and to do all such acts, deeds and things as may be necessary to do in this regard.”

NOTES:

1. Dully filled ballot paper should be sent to the Chairman of **Sitara Chemical Industries Limited** registered office at **601-602, Business Centre, Mumtaz Hassan Road, Off: I.I. Chundrigar Road, Karachi-74000** attention to the Company Secretary or email at corporate@sitara.com.pk
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before **October 26, 2026**. Any postal ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the company at: www.sitara.com.pk
Members may download the ballot paper from the website.

Shareholder / Proxy holder Signature/Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place

Date _____

NOTES

[illegible]

SITARA CHEMICAL INDUSTRIES LIMITED

FORM OF PROXY ANNUAL GENERAL MEETING

I/We _____ S/o/D/o/W/o _____
of _____ being a member of
SITARA CHEMICAL INDUSTRIES LIMITED and holder of _____ Ordinary Shares as per Share
Register Folio No. _____ and/or CDC Participant ID No. _____ and Account / Sub-account
No. _____ do hereby appoint Mr./Mrs./Miss _____
_____ of _____ failing him/her, Mr./Mrs./Miss _____
_____ of _____ as my/our proxy to attend, act and vote for me/us on my/our
behalf at Annual General Meeting of the Company to be held on Tuesday, 27th day of October, 2026 at
3:00 p.m. at JS Auditorium, IBA City Campus, Plot # 68 & 88, Garden/Kayani Shaheed Road, Saddar, Karachi in
person and via Zoom video link and at any adjournment thereof in the same manner as I/we myself/ourselves
would vote if personally present at such meeting.

Signature of Shareholder
Folio / CDC A/C No.

Signature of Proxy

Fifty Rupees
Revenue Stamp

Dated this _____ day of _____ 2026

Witness:

Witness:

1. Signature _____
Name _____
Address _____

CNIC or _____
Passport No. _____

2. Signature _____
Name _____
Address _____

CNIC or _____
Passport _____

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on member's behalf.
2. If a member is unable to attend the meeting. He/She may complete and sign this form and send it to the Company's Share Registrar M/s. THK Associates (Pvt) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi so as to reach not less than 48 hours before the time appointed for holding the Meeting.
3. For CDC Account Holders / Corporate Entities; in addition to the above, the following requirements have to be met:
 - (a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers be stated on the form.
 - (b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (c) The proxy shall produce his original CNIC or original passport at the time of the meeting. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial
Street 2, D.H.A. Phase VII,
Karachi-75500

Affix
Correct
Postage

ستارہ کیمیکل انڈسٹریز لمیٹڈ

پراکسی فارم

اجلاس عام

میں رہم _____ ستارہ کیمیکل انڈسٹریز لمیٹڈ کے ممبر ممبران رجسٹرڈ فلیو نمبر / شرکاء کی آئی ڈی سی ڈی سب اکاؤنٹ نمبر _____ کے مطابق _____ عمومی شیئرز رکھتے ہیں۔ بذریعہ ہذا _____ یا ان کی عدم موجودگی کی صورت میں _____ پراکسی 27 اکتوبر 2026 بروز منگل کو سہ پہر 3:00 بجے جے ایس، آڈیٹوریم، آئی بی اے سٹی کیمپس، پلاٹ نمبر 68 اور 88، گارڈن / کیانی شہید روڈ صدر، کراچی ذاتی طور پر اور زوم ویڈیو لنک کے ذریعے منعقد ہونے والے اجلاس عام اور اس کے کسی التواء تک میری / ہماری جانب سے ووٹ دینا اور اجلاس میں شرکت کرنے کا حق دیتا ہوں / دیتے ہیں۔

ریونیو اسٹامپ
50 روپے

دستخط پراکسی _____ دستخط شیئر ہولڈر _____

بتاریخ _____ سہ 2026

گواہان:

دستخط	دستخط
نام	نام
ایڈریس	ایڈریس
شناختی کارڈ	شناختی کارڈ
پاسپورٹ	پاسپورٹ

۱۔ ایک رکن جو اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ہے اس کو حق حاصل ہے کہ وہ کسی دوسرے فرد کو بطور پراکسی اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لیے مقرر کرے۔

۲۔ اگر کوئی رکن اجلاس میں شرکت کرنے کے قابل نہیں ہے تو وہ یہ فارم مکمل اور تصدیق شدہ کمپنی کے شیئر رجسٹرار میسرز THK ایسوسی ایٹس پرائیویٹ لمیٹڈ پلاٹ نمبر: C-32 جی کمرشل سٹریٹ 2، ڈی۔ ایچ۔ اے۔ 7 فیئر کراچی-75500 کو اجلاس کے منعقد ہونے سے 48 گھنٹے قبل بھجوائیں۔

۳۔ CDC اکاؤنٹ ہولڈرز / Corporate Entity مندرجہ بالا کے علاوہ مندرجہ ذیل شقوق پر عمل کریں:

- پراکسی فارم میں دو گواہان کے دستخط نیز ان کے پتے اور شناختی کارڈ نمبر کا اندراج بھی لازمی ہے۔
 - رکن اور پراکسی کے تصدیق شدہ قومی شناختی کارڈ یا پاسپورٹ کی نقول کی فراہمی
 - پراکسی کے لیے لازم ہے کہ وہ اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا پاسپورٹ تصدیق کے لیے فراہم کرے۔ Corporate Entity کی صورت میں بورڈ آف ڈائریکٹرز کی تصدیق شدہ قرارداد کی نقول بشمول Power of Attorney دستخط کے ساتھ (بجز اگر پہلے ہی جمع کرادی گئی ہے۔)
- پراکسی فارم کے ہمراہ کمپنی کے شیئر رجسٹرار کو جمع کروائے۔



THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial
Street 2, D.H.A. Phase VII,
Karachi-75500

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SITARA CHEMICAL INDUSTRIES LIMITED

CIRCULATION OF ANNUAL AUDITED ACCOUNTS

The Company Secretary
Sitara Chemical Industries Limited
601-602, Business Centre,
Mumtaz Hasan Road,
Karachi

Subject : Circulation of Annual Audited Accounts via Email or any other Media

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO No. 470(I)/2016 dated 31ST May, 2016, that have allowed companies to circulate their Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Directors' Report etc ("Annual Report") along with the Notice of Annual General Meeting ("Notice") to its shareholders through Email or any other Electronic Media at the registered addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the below form and send us to Company address.

I/We hereby consent Option 1 or Option 2 to the above SROs for Audited Financial Statements and Notice of General Meeting(s) delivered to me hard from instead Email or any other Electronic Media.

☐ Option 1 – Via Email

Name of the Members/Shareholders

CNIC NO.

Folio / CDC Account Number

Valid Email Address

(to receive Financial Statements alongwith
Notice of General Meetings instead of
hardcopy/CD/DVD/USB)

☐ Option 2 – Via Hard copy

Name of the Members/Shareholders

CNIC NO.

Folio / CDC Account Number

Mailing Address

(to receive Financial Statements alongwith
Notice of General Meetings instead of
Email/CD/DVD/USB and other Electronic Media)

I/We hereby confirm that the above mentioned information is correct and in case of any change thereon, I/We will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2017.



M/s Sitara Chemical Industries Ltd.
601-602 Business Center,
Mumtaz Hassan Road
Karachi.

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SITARA CHEMICAL INDUSTRIES LIMITED

DIVIDEND MANDATE (MANDATORY)

By virtue of the provisions of the Companies Act, 2017, shareholders are MANDATORILY required to provide their bank account details to receive their dividends by way of direct credit on electronic transfer to their bank account instead of receiving them through dividend warrants (crossed as A/c Payee only).

Bank Account Details of Shareholder for payment of Cash Dividend through electronic mode

I hereby wish to communicate my desire to receive my dividends directly in my bank account as detailed below:

Name of Shareholder _____

Folio Number _____

Contact Number of Shareholder _____

Bank Account No. _____

IBAN No. _____

Title of Account _____

Type of Account _____

Name of Bank _____

Bank Branch & full Mailing Address _____

Contact No. of Bank _____

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the company informed in case of any changes in the said particulars in the future.

Shareholder's signature	Date	CNIC / SNIC No. (Copy attached)
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M/s Sitara Chemical Industries Ltd.
601-602 Business Center,
Mumtaz Hassan Road
Karachi.

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Sitara Chemical Industries Limited
601-602 Business Centre, Mumtaz Hassan Road,
Off. I.I Chundrigar Road, Karachi-74000
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